No. 30,149

Monday February 2 1987

Tamils say police GEC for **shot 200** Indian civilians project

capital of Sri Lanka's Eastern Province, claim that 200 civilians, mostly. Tamils, were killed in a four-day operation by a special pulse comman-

or task force.

Sri Lanka's Government says the charge is a "wild allegation" and that only four civilians died in fight--ig which left 40 terrorists and 13 policemen dead. Page 3

Reagan aide resigns

President Reagan's chief political adviser, Mr Mitchell Daniels, 37, has resigned to join a research in-stitute. Mr Daniels has called for White House chief of staff Mr Donald Regan to step down over the

Israeli-Soviet talks

Israel's Foreign Ministry said it held talks last month with Soviet officials in Washington which dealt with the relaxation of exit restrictions on Soviet Jews and on possi-ble Soviet participation in a Middle East peace conference.

Radioactive milk ban

The West German Government is likely to stop the planned export to Third World customers of 3,000 tonnes of milk powder contaminated by radioactivity during the Chernobyl nuclear reactor disaster.

Karachi rioters shot

Karachi police fired at more than 1,000 demonstrators throwing bombs at a police station, killing at least two people and wounding 50, bringing to eight the death toll in

four days of rioting.

Genoa paralysed The port of Genoa was paralysed as lock workers staged wildcat strikes lowing last week's accord be-

a the port authority and na-

trade union leaders over

g levels. Page 4 aul explosion

ar bomb exploded outside the In-Afghanistan, killing four people, in-cluding two children, Kabul radio

Greek earthquake

An earthquake measuring 5.1 on the Richter scale hit the southern Ilia area of the Greek Peloponnese islands but caused neither casualties por damage.

W. Berlin raid

West Berlin police raided a political meeting in a city bar and arrested 48 people for allegedly breaking an Allied military law banning the propagation of the aims of the Nazi party. The 48 were later released.

Fishing zone imposed UK defence officials reported no incidents in the South Atlantic follow-

ing the imposition of a 150-mile fish servation zone around the Falk-Iand Islands Israeli bus bombed

At least nine people were injured when a bomb exploded aboard an inter-city bus near Hadera in nor-

Hotel fire kills 17

Fire swept through a hotel in the south Taiwan city of Kaohsiung, killing 17 people and injuring 13.

Skier vanishes

Rescuers combed the Mont Blanc area for a 36-year-old Briton who went skiing alone in the Chamonix valley on Thursday but had not been seen since.

Bargain fare

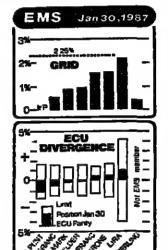
Dutch carrier Transavia Airlings has asked permission from the Carl Aviation Authority to introduce in economy return fare between in-sterdam and London of £116, which it says is £30 less than the cheap est it says is £30 less than the che

UK picks

smen in Batticalda. GEC, UK engineering and electron ics group, has been chosen to lead a ium of British companie which hopes to build the second stage of the Rihand power station in northern India at a cost of around £300m (\$454). Page 3

> BANK OF ENGLAND appears to have been buying large amounts of gilt-edged stocks on the assumption that the UK Public Sector Borrow ing Requirement will be substantially below the £7.1bn (\$10.9bn) budgeted. Page 29

> EUROPEAN Monetary System: A stronger dollar and a cut in the West German discount rate helped to underpin weaker members of the EMS last week. The Irish punt remained the weakest currency while the Belgian franc, traditionally one of the weakest members, showed useful gains. The Bundesbank had intervened on a small scale during the early part of the week to sup-port the dollar, but the US unit's main impetus came from Friday's better than expected US trade fig-



The chart shows the two constraints The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the tira) may move more than 2% per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of Eu-

TOKYO: Nikkei index fell 24.8 in Saturday's half-day session after seven days of advances. It closed at 20,023.55. Leading share prices, Page 35

UK GOVERNMENT bond turnove has almost trebled to about £1.6bm (\$2.46bn) since Big Bang deregulation on October 27, Page 8

INDONESIA: Finance Minister Radius Prawiro said the Government would not reschedule its \$30bn for eign debt but instead seek conces sionary finance to lessen the cour try's debt burden. Page 4

MONTEDISON. Italian chemicals energy and pharmaceuticals group announced an R.1 per cent increa in gross operating profits for 1986 to L1,600bn (\$1.2bn), Page 23

FRENCH WINE: Britain has over taken the US as the world's leading importer. About 45 per cent of wine bought in the UK comes from France, 30 per cent from West Germany, 15 per cent from Italy and 7 per cent from Spain.

NEW ZEALAND entrepreneur Ron Brierly has entered the battle for ntrol of Resorts International, the 850m Atlantic City casino busiss. Page 23

EXAS billionaire H. Ross Perot, under of Electronic Data Sysns, has joined Steve Johs, founer and former chairman of Apple omputer, as an "investment part-er" in Jobs' new venture, Next, developing high performance work-stations for colleges. Page 23

BANCO de Vizcaya, Spain's fifth

CONTENTS

 International
 24
 Currencles
 38

 Companies
 21, 23
 Editorial comment
 18

 Eurobonds
 21

 Financial Futures
 38

 Intern. Capital Markets
 22, 23

Kidnappings leave West Beirut haunted by fear and gloom A BRITISH woman friend, no long-er confident that she can reason her way out of any hair-raising situa-first time, there is that nagging tion in West Beirut with its whole-

Strong reports that the special envoy of the Archbishop of Canterb-ury, Mr Terry Waite, is being de-

tained by the captors of kidnap vic-tims he was tirelessly trying to free capped 10 days of a darkening mood. Nine foreign nationals, in-cluding a French journalist, a Saudi diplomat, two West Germans, three Americans and an Indian, have been kidnapped at gunpoint since Mr Waite arrived in Beirut to resume his humanitarian mission.

The attempted kidnapping of a Swiss relief worker delivering sup-plies to the Shia southern suburbs last week sent shudders down the spine of a handful of plucky Western women, who believed they were immune to such attacks in a preiominantly Moslem society.

doubt in the back of my mind, and sale kidnappings and a maddening know the fear that drove my male collapse of all sense of order, friends out long ago," a British fesummed up the atmosphere in the Lebanese capital with: "Thinking has been suspended."

In this property was a maddening know the fear that drove my male collapse of all sense of order, friends out long ago," a British female journalist conceded. "A lurking gunman guarding a street corner petrifies me now while I acceptant of the property of th ed it as part of the scenery only one month ago," she said.

Grey, hazy weather, the lingering stench of uncollected garbage and mareuding gunmen whose affiliation or motives are no longer easy to discern contribute to a feeling of uneasiness in the streets. Power cuts, a feeling that West Beirut is on the edge of yet more apocalyptic security blow-ups have pinned peo-ple in their homes as they ponder whether to dig in and survive yet another crisis or abandon a city that once lured them and captivated

"I don't want to look over my shoulder every second of my life," complained one woman. "Even the Lebanese are nervous. They are not as much support these days as they done before, to order out all US ex-

BY NORA BOUSTANY IN BEIRUT

used to be. They are just as nervous about the bad things happening all around them," she said. Even International Red Cross

workers, who became the only for-eigners to be sighted at West Bei-rut's few restaurants and night spots, now stay home and foreign females are keeping their move-ments to a minimum.

"My frontline argument has al-ways been that I am a woman," said Marylin Raschka, an American linguistics professor at the American university of Beirut, who may now have to leave in view of President have to leave in view of President their cover for passengers and crew Ronald Reagan's ban on US passport holders to travel to Lebanon and an order to all Americans to shell Beirut International Airand an order to all Americans to port. leave within 30 days or face prose-

group, Islamic Jihad for the Libera-tion of Palestine, announced its birth last week and claimed responsibility for the on-campus kidnap-pings, which have triggered daily demonstrations by students protest ing the injustice done to their teachers and the suspension of their

As an indication of the worsening situation, Lebanon's flagcarrier, Middle East Airlines, suspended flights to and from Beirut yesterday after insurance companies lifted

MEA chairman Selim Salam pointed out yesterday that the air-port was not officially closed but that his airline was "sad to announce that its flights would be temporarily suspended because in-surance companies had suspended

christian militia, would shell Beirut fessors also appeared just as bleak international Airport if the opening of a new airport north of Beirut was not authorised. Moslem leaders are opposed to such a development on the grounds that it most it may be a fashin mild it may be a fine to the property of the grounds that it most it may be a fine and the grounds that it most it may be a fine and the grounds that it most it may be a fine and the grounds that it most it may be a fine and the ground of the grounds that it most it may be a fine and the ground of the he grounds that it would be a parti-

D 8523 B

Christians unable to use Beirut's only airport, located in the Moslem sector, have been forced to travel by sea to Cyprus to make other con-

The fate of Mr Waite remained unknown despite Druze chiefiain Walid Jumhlat's disclosure that he had offered himself as a hostage in return for Mr Waite's freedom. He said he had told an unnamed political party asked to help in the search for Mr Waite to take him instead if Mr Waite was indeed a hos-

spokeswoman said Mr. Waite had left a letter before he flew to Leba-non saying that no ransom should

policies covering passengers and be paid and no lives risked to rescrew." The decision followed reports that the Lebanese forces, the shak Rabin said it was "inconceiv-able... (that we would) arrest, put

on trial and imprison thousands of

guerrillas to serve as an interna-tional bank reserve that one draws on (to free) hostages." The group calling itself Islamic Jihad for the Liberation of Palestine said on Saturday it would kill the four university lecturers if 400 prisoners were not freed from Israeli jails within a week. "We will execute them and throw their corpses on the garbage cans of Cy-

Another statement delivered to an international newsagency sug-gested that, if 400 prisoners, whose nationality was not specified, were flown to Damascus on a Red Cross aircraft, the four hostages would be

freed. Talks on Waite's safety, Page 2

Baker and Pöhl agree that \$ has reached 'a reasonable level'

BY LIONEL BARBER IN WASHINGTON

disagreement over econom cies and the value of the dollar Mr James Baker, the US Treasury Sec-retary, and Mr Karl Otto Pöhl, President of the West German Bundesbank, yesterday appeared to try and put their differences behind with economic fundamentals in their two countries.

Mr Baker steered clear of making any comment which could be interpreted as backing a further decline in the dollar against the D-Mark and the yen. The dollar has come down to a reasonable and orderly level be said, denying that he and other members of his team at the by political motives, notably con-US Treasury and been talking down cern about the record US trade defithe dollar in recent weeks,

in the three months up to last amounted to a \$10.7bn deficit. This talks in Davos yesterday with their month's West German federal elections Mr Baker and other senior US to yield, thereby increasing friction between the two allies and trading

month's precipitous slump in the US exports grow substantially. Prof Lester Thurow of Mit, that the value of the dollar against the yen and D-Mark – was noticeably conciliatory towards the US yesterday of a Group of Five meeting to distory towards the US yesterday of a Group of Five meeting to distory towards the US yesterday of a Group of Five meeting to distort to Y100 and DM 1.1.

AFTER MONTHS of open public during the same intervew on ABC cuse last month's wild currency gyr-

He said that the 50 per cent devaluation of the dollar against the D-Mark since March 1985 had been a "necessary correction". He added that West Germany was aiming for lower interest rates, and cited the them. They attempted to calm for-eign currency markets by suggest-count rate to 3 per cent as a sign of ing that the present values of the dollar and D-Mark were "in line can concern about slow growth in

the world economy.

The dollar has declined by 7.4 per cent against the D-Mark and about 4.4 per cent against the yen this year, partly prompted by leaks from Reagan Administration offi-cials that they were not concerned about dollar devaluation The leaks were largely influenced

cit, which reached almost \$170bn in The US Treasury Secretary 1986, fuelling protectionist pres-added that the Reagan Administration was very pleased with West
Germany's decision to cut the discount rate. "This was something we
were anxious about," he said.

Lest week, however, the Commerce Department reported a substantial improvement in the December 1986 trade figures, which

tion appears to be at last improving officials repeatedly pressured Bonn America's terms of trade, although to stimulate its economy through a one month's figures are by no discount rate cut. But Bonn refused means conclusive. Mr Malcolm Baldrige, Commerce o yield, thereby increasing iriction but makenin battings, commerce an annual meeting or public assertion between the two allies and trading secretary, predicted this weekend and top businessmen, were generatives.

Mr Pöhl – who accused the US of by \$30hn–\$40hn in 1957, and that outlook. Many have been infin-playing with fire during last the weakened dollar would make enced by a forecast given here by playing with fire" during last the weakened dollar would make

ations. The Group of Five memb are the US, West Germany, France, Britain and Japan and their meetings can have enormous impact on

Mr Baker warned that the US could not cure its trade deficit through the value of the dollar count rate to 3 per cent as a sign of Bonn's willingness to meet Ameri-ministration intended to submit a competitiveness package (code for a trade bill) to Congress within the next two we

Separately, Mr Baker described as "pure baloney" reports that he and other cabinet members had threatened to resign if Mr Donald Regan, White House Chief of Staff, di aot go.

John Wyles in Daves, Switzerland, writes: Senior public officials from industrialised countries, including the US and Japan, share the view that a meeting of the Group or rive finance ministers is unlikely until they are able to agree on concrete measures to stabilise the dollar. The officials held 10 hours

tions and six international organi-

The participants, brought together by the World Economic Forum, en annual meeting of public leaders

Genscher urges West to accept Soviet initiatives criticism

BY JOHN WYLES IN DAVOS

West German Foreign Minister, yesterday boldly called on the Western alliance to believe in the changes taking place in Soviet domestic and foreign policies and to negotiate a new set of economic and arms control agreements.

"Our motto must be let us take Gorbachev seriously, let us take Gorbachev at his word," declared Mr Genscher in a major speech reflecting a new authority drawn from his Free Democratic Party's success in the recent West German elections. In the process, he went much further than any Western leader has done in responding to developments in Soviet policy. He was strongly sceptical of sug-

gestions that Mr Gorbachev was seeking a breathing space in Mos-cow's relations with the West to allow time for domestic regeneration before resuming the "old expen-

"could not be brushed off as propaganda," he said. "If today there is a chance of reaching a turning point in East-West relations after 40 years of confrontation, it would be a mistake of historic proportions for the West to let the chance slip," Mr Genseber told the World Economic Forum, an annual meeting of top politicians and businessmen, in Da-

Against the background of Presi-

MR Hans-Dietrich Genscher, the dent Ronald Reagan's political set-West German Foreign Minister, backs over arms to Iran and the apparent conviction that a positive Western response could help Mr Gorbachev overcome domestic opposition to his reforms, Mr Genscher seemed to be presenting himself as the West's potential interlocutor

with Moscow. Asserting that the Soviet leader's new domestic and foreign policies were "in the interests of the West," Mr Geoscher claimed that Mr Gorbachev had clearly broken with the expansionist policies of the Brezh-

Mr Genscher, repeatedly stress-ing the new opportunities for East-West relations which are now appearing, emphasised that West Germany was not recasting its foreign policy, which would continue to be based on membership of Nato, the EEC and close Franco-German co-

Peter Bruce in Bonn adds: Mr Genscher's speech can be seen as a week to resign as BBC director gen-hunt challenge to Chancellor Hei- gral. Mr Milne had cleared the othmut Kohl to take sides on mreasure policy as he begins to put together a new coalition Government for his taken in office.

The police resumed their search at Sam yesterday after obtaining a third warrant. The first was overmut Kohi to take sides on foreign er five programmes.

The veteran Foreign Minister is certain to keep his post. His remarks about the Gorbachev administration are probably his most clear statement on policy towards the Soviet Union and are bound to upset conservatives in Mr Kohl's party and, probably, in Washington.

A record year for

Scandinavian Bank Group

"Pretax profits rose by 86%

BBC raid by police sparks

By Raymond Snoddy in London

THE BBC is to take legal advice about the police raid on its Glasgow headquarters, in which officers se-ized all material relating to the Zir-con spy satellite and other pro-grammes in the controversial television series Secret Society.

Special Branch officers from the Metropolitan and Strathclyde forces took away nearly 30 houses and cartons of videotopes, out-takes, computer discs and notes from the studios where the series was pro-

The raid, which lasted 30 hours, is believed to be unprecedented in the history of British broadcasting. The search drew strong criticism from the opposition Labour and Al-liance leaders, who will press today for a statement from the Government in the House of Commons.
Police took material relating to

all six programmes in the series, not just the Zircon transmission, which had been banned by Mr Alasdair Miloe, who was forced last

Staff such as film editors and librariens were summoned in the Page 5

Continued on Page 20

Paris unable to meet investor demand for shares in Paribas

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government announced last night that it would be unable to meet individual investor demand for Paribas shares because 14 7m shares at FFr 405 each to demand for Paribas shares because of the unexpected success of the

Mr Edouard Balladur, the Minister of Finance, appeared on French television to announce that 3m Frenchmen had applied for shares in the formerly secretive invest-ment bank. Before nationalisation in 1982 it had a total of 150,000

shareholders. However, Mr Balladur anto individual investors for whom group's capital. preferential treatment had been accorded. They will row receive allo- an important boost for the Govern-

14.7m shares at FFr 405 each to French investors. This represented 32 per cent of Paribas capital. One reason for the success of the issue was the expectation of a sizeable profit with the shares being quoted in the grey market last week at be-tween FFr 470 and FFr 500.

In addition to cutting back on allocations to French investors, the However, Mr Balladur an-Government will reduce by 10 per nounced that the Government cent the 6.3m shares offered abroad would have to scale back allocations - equivalent to 13.5 per cent of the 20 per cent. The Government had The success of the issue provides

cations proportional to the overall ment's privatisation programme largest commercial bank, is paying a sharply higher dividend on net profits that increased by 37.5 per cent last year to Pta 18.1bn (\$142m).

Dage 23

demand.

The Government is also scaling Gobain, the glass and pipes group. down its offer of one free share for the Saint Gobain issue, the first in every 10 shares held for a minimum the programme, was 14 times over-of 18 months. Small investors will subscribed with the Government

THE

MONDAY

PAGE

INTERVIEW S

Patrick Buchanan, Ronald Reagan's

communications director, talks

to Lionel Barber,

Page 10

ment reserved 18.2 per cent of the capital for 17 major institutional shareholders paying a 2.5 per cent premium to give the group a stable shareholding base. Among the main shareholders are the oil group CFP-Total and three insurance companies. Four foreign groups

hold 2.6 per cent of this blo A further 7.5 per cent of the canital was reserved for employees at a discount of between 5 per cent and also been planning to hold 4 per cent of the capital in reserve to meet the issue of free shares.

vestment, which account for 25 per cent of Paribas' capital, can be exchanged with no extra payment. Power politics of Japanese privati-sation, Page 4

and consolidated assets grew for the 17th year in succession to reach £3,500 million". Garrett F. Bouton Managing Director and Chief Executive

Highlights from audited 1986 Consolidated Accounts*

£'000	1986	1985
Profit before taxation	26,379	14,164
Profit after taxation and minority interest	16,705	7,188
Consolidated assets	3,512,836	3.266.947
Total deposits	2.933.363	2,742,419
Loans and advances	1,855,345	1,845,549
Capital resources	227,573	207,001

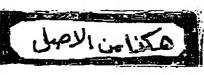
*The highlights for 1986 are an extract from the Report & Accounts which will be delivered to the



The art of British banking Scandinavian style.

Scandinavian Bank Group pic, Scandinavian House, 2/6 Cannon Street, London EC4M 6XX.
Tel: 01-236 6090 Telex: 889093 Fex: 01-248 6612. International Offices: Bahrain, Bermuda, Cayman Islands, Geneva, Hong Kong, London, Los Angeles, Madrid, Melbourne, Milan, Monaco, New York, São Paulo, Singapore, Sydney, Tokyo, Zürich.

ISSUED BY MORGAN GRENFELL & COLLIMITED ON BEHALF OF SCANDINAVIAN BANK GROUP DIC



Japan: power politics behind privatisation 4

Editorial comment: Gulf war; US aims

at Airbus...... 18

Foreign Affairs: Reagan performs,

Lex: pension funds in 2020 19

Jobs to go

in Swedish

By Sara Webb in Stockholm

THE SWEDISH commercial steel

industry is threatening to cut jobs

and close mines in order to cope

with overcapacity and falling prices

SSAB the Swedish state-con-

trolled commercial steel group, is

planning to cut its loss-making

areas and concentrate on steel

sheet production and on its home

The plans are in response to in-

creased competition from many of

the developing countries and to measures in the EEC to adapt pro-

SSAB's board is proposing to close two iron ore mines at Graen-

steel

in the market

market in future.

duction levels.

industry

Sale price for French TV channel due soon Irish ships

days the price of TF-1, the country's oldest and largest is to be privatised. It is audience, expected to fetch FFr 4bn.

FFr 4.5bn (£430m-£484m), alover TF-1 are a recently formed though the opposition Socialist party claimed at the weekend it was worth about

The sale is the centrepiece of the Government's ambitious changes in television broadcasting. Later this month franchises will be awarded to operate France's two other private commercial stations, the Fifth Chan-nel or "La Cinq" and the Sixth Channel or TV6, the French music chain.

The Socialists are already accusing the Government of Mr Robert Hersant, the right-

By Diana Smith in Lisbon

CENTREL, the Portuguese telecom-

munications group that has signed

an agreement with Siemens to

share local manufacture of equip-

ment for Portugal's new digital

switching system, is launching it-self internationally with the help of British consultants and its UK out-

past two years in research and de-

velopment of telecommuniciations

equipment and software, the group

is seeking a greater share of major

Centrel first attracted attention

in 1980 when its founders, three

young engineers previously em-ployed by Standard Electrica, the

Portuguese subsidiary of IIT bought the local installations of

Plessey for £1 (\$1.53), the price charged by the disgruntled British

corporation when it failed to coax

successive Portuguese governments to make firm telecommunications

investment plans and decided to pull out of the country.

Centrel also took on Plessey's

£200,000 (\$306,00) debt and its 2,500

employees - a heritage that proved

costly to Centrel as it sought to de-

Poles condemn

waste store

By Christopher Bobinski in Warsaw

demned by local people. Waste from the Zarnowiec nuclear power station, now under construction and expec-

World War.

PROPOSALS for a nuclear waste store in Miedzyrzec,

western Poland, have been con-

ted to come on stream after

1992, would be stored in under-ground fortifications built by

the Germans before the Second

Protests against the plan

were made at the weekend by

delegates to a congress of the

Polish Consumer Federation (FK). They are part of a

wider protest movement among the town's 20,000 people which began in 1975.

They argue that the site is damp and unsaie.

The congress also heard that the federation, the only move-ment of its kind in eastern

Europe, is to become a member of the International Organisa-

tion of Consumer Unions, based

The FK, set up in 1981, has

about 10,000 supporters and is

planning to start an independent

quality testing centre in Krakow.
Congress resolutions called
for the ending of the market
monopoly in Poland by allow-

ing greater scope for private enterprise in production of goods and services.

Government plans to raise prices of basic foods were also

criticised because a growing number of households estimated

their situation was poor and The FK hopes to organise an

eastern European consumer movement congress towards the end of the year.

cousin of Nezar and Ahmed

Genoa. Judicial officials said

FINANCIAL TIMES

Published by The Financial Times (Europe) Ltd., Frankfurt Branch,

represented by E. Hugo, Frankfurt/ Main, and, as members of the Board of Directors, F. Barlow,

R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London.

Printer: Frankfurter-Societäts-Druckerei-GmbH, Frankfurt/Main.

Responsible editor: R.A. Harper, Frankfurt/Main. Guio.lettstrasse 54, 6000 Frankfurt am Main 1. ©

FINANCIAL TIMES, USPS No.

FINANCIAL TIMES, USFS No. 130610, published daily except Sundays and holidays. U.S. subscription rates \$265.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 80th Street, New York, N.Y. 16622.

The Financial Times Ltd. 1988.

from the city.

Hindawi released

in The Tague.

plan for nuclear

velop new products.

renationalise it when returned to power. The network has

over TF-1 are a recently formed association between Hachette, the country's leading publishing group, and Havas, the state advertising and media group, also to be privatised this year. Mr Pierre Dauzier, the Havas chairman, confirmed yesterday

in a newspaper interview that he had reached an agreement whereby Hachette would acquire 25 per cent of TF-1 and Havas 15 per cent to form the core shareholders and operators

Centrel's shareholders have now

doubled the capital of the group to

Es 1.6bn (\$11.5m) in preparation for new marketing efforts by an ex-panded Central Telecom based in Hastings, England, which already markets products such as cable

pressurising, calibrating and rail-way switching equipment and has large contracts with British Telec-om and British Cable and Wireless

and will in future market new prod-

Of Centrel's 1986 turnover of

270m, 30 per cent went to exports including tropical countries still us-

ing old-style Centrel heavy-duty ba-kelite telephones. Meanwhile Cen-

trel's two-year-old research and de-

velopment company, EID, has de-veloped field and vehicle radios for

the Portuguese armed forces and is now working on equipment for three frigates that Portugal's Nato

partners are jointly financing and

In its drive to expand fast and

keep abreast of electronics and te-

while nursing along hundreds of

workers whose skills could not al-

ways match the times, Centrel has had severe financial struggles.

forecast of European energy trends to the year 2005, also assumes that the dollar will

depreciate against most Euro-pean currencies until the 1990s

and that the oil prices expressed in European currency units (Ecus) will rise less than

In the shorter term energy consumption should increase as

a result of the recent fall in energy prices. Between 1986 and 1990, it expects Europe's

Oil demand in Europe should

rise by 1.2 per cent a year until the early 1990s and then start

if expressed in dollars.

ommunications developments

ucts developed in Portugal.

THE FRENCH Government is selling the state network at a wing Press baron and publisher table new decrees to enable the expected to announce in a few discount and have threatened to days the price of TF-1, the renationalise it when returned also emerged as the main candines one operators. date to take over the Fifth Channel in association with Mr

With strong contenders emerging for both TF-1 and the Silvio Berlusconi, the Italian television entrepreneur, and Mr Fifth Channel, the bidding for TV6 appears to be the most open of the three. The channel Jerome Seydoux, chairman of the Chargeurs transport and is operated by the Gaumont film communications group. Mr Berlusconi and Mr Seydoux production group in association with a private radio station and presently operate the channel two advertising groups. This consortium is keen to maintain but are threatened with the loss its franchise but will have to fend off rival bids from groups Although the Council of State, including the Generale des Eaux one of France's leading judicial

and Lyonnaise des Eaux water utilities, the Compagnie Luxem-bourgeoise de Telediffusion which has been showing a growing interest in TV6, the UGC film distribution group and

Portuguese telecoms Western steel output group has UK link 'will decline further'

BY PAUL BETTS IN PARIS

of their franchise and have been

bodies, yesterday overruled the

Government's earlier decrees cancelling the franchises for the

negotiating with Mr Hersant.

STEEL production in Western inganisation says most of the decline dustrialised countries is expected to in OECD steel consumption this by as much as last year, the Organi- US and Japan. sation for Economic Co-operation In the US, the expected decline is

when OECD steel production to the shipbuilding sector.
talled 365.61m tonnes. EEC steel In the EEC, steel demand from

Japanese steel production declining try has continued to decline. In the by 4 per cent this year compared US, the decline last year was 15 per with 6.7 per cent last year, Australian and New Zealand output increasing by 2 per cent this year compared with a 1 per cent increase last year.

The OFCD stead in the USCD st last year and Canadian output rising by 1.5 per cent this year after in the Windows After falling by 2 per cent last year.

After falling by 2 per cent last in Japan. The rep

expected to fall by about 1.5 per cent this year. The Paris-based or-

rise in oil use will be in the transport sector. Between 1985

and 1991, consumption in this sector should rise by around 13 per cent, or 30mtoe,

Gasoline consumption will re-

main static, but diesel oil, jet fuel and bunker fuel consump-

tion should increase as a result

of strong commercial activity.

Natural gas prices are expected to rise less rapidly

than oily prices in order to guarantee gas competitiveness

energy requirements until the end of the 1980s but will gradually rise to 22 per cent by 2005.

Oil price forecast to

reach \$60 a barrel

OIL PRICES will rise steadily to reach \$60 a barrel towards the end of the century but will not regain their 1985 level in says lower oil prices will help real terms until 2005, says a report on Europe's energy per cent between 1985 and outlook published today.*

1988, before consumption starts falling again. The biggest

DRI Europe, in its latest starts falling again. The biggest

total primary energy requirements to grow by 1.9 per cent
a year for a 2.3 per cent annual
growth in gross domestic energy requirements until the

continue to decline this year but not year will again occur largely in the

and Development (OECD) says in mainly the result of weaker de-its latest outlook on the Western mand from the car and construction industries, while in Japan demand steel industry. industries, while in Japan demand
The OECD estimates the fall in continues to be affected by the Western steel production this year weaker export outlook for several at about 1.5 per cent, compared manufacturing industries and espe-with a decline of 6 per cent last year cially by the sharp fall in activity in

production which fell by 7.3 per the shipbuilding sector is also excent last year is expected to remain pected to fall significantly. How-flat this year while US production is ever, this fall is expected to be off-expected to fall by 2 per cent this set by improved activity in most year compared with 5 per cent last other steel-consuming sectors.

The report also notes that employment in the OECD steel industry has continued to decline. In the US, the decline last year was 15 per cent while several West European

The OECD expects employment in the Western steel industry to continue to fall this year, especially The report says that crude steel

capacity in the OECD continued to decline.

Melilla unrest turns focus on Morocco

By David White in Madrid UNREST CONTINUED YESterday in Spain's North African enclave of Melilla after violent clashes at the weekend which highlighted the Madrid Government's failure to placate the minority

The disturbances raised concern about their possible impact in Morocco, which maintains a territorial claim over Melilla and its sister enclave of Ceuta.

Last year, the Spanish Government produced a carefully-laid plan for Melilla, aimed at reassuring local Moslems about their rights at the same time as removing the main sources of aggrava-tion for the non-Moslem Spanish population.

Spanish population,
This involved replacing its controversial chief representative with Mr Manuel Cespedes, a Mellia native and police officer who had been Prime Minister Felipe Gonzalez's chief bodyguard, and helming the Moster Leader bringing the Moslem leader, Mr Aomar Mohamedi Dudu, to Madrid as a government

adviser. However, Mr Dudu soon resigned and returned to Melilla, provoking the anger of the Spanish authorities by describing Melilla as Moroccan and the Spanish

halted as disputes escalate

By Hugh Carnegy in Dublin

ALL FREIGHT and passenger ser vices from the Republic of Ireland on the state-owned B&I shipping line were at a standstill last night following the escalation of labour disputes that have plagued the lossmaking company for months. Ships officers extended their strike from the passenger service to

the freight service yesterday when talks broke down in a dispute over manning levels and scheduling.

down to half capacity because of an-other unresolved dispute with

Apart from the immediate disutes, B&I is struggling to get agreement with its unions on a survival plan involving nearly 400 redundan-

New Irish party keeps options open

THE LEADER of Ireland's Pro gressive Democrats party, which hopes to hold the balance of power after the February 17 election, said yesterday he would be reluctant to support a government led by Dr Garret FitzGerald, the outgoing Prime Minister, or Mr Charles Haughey, leader of Fianna Fail.

Mr Desmond O'Malley, who formed the Progressive Demo-crats just over a year ago after leaving Fianna Fail, was careful not to rule out co-operation with either. "I'm not planning a veto but I'm expressing the view that a new (Prime Minister) might be appropriate for the country's difficulties," he said at the launching of his party's manifesto.

He confessed his feelings against Dr FitzGerald, the leader of Fine Gael, were less strong than his objections to Mr Haughey, with whom he had a bitter long-running quarrel when still a front-bench member of Figure Fail

ber of Fianna Fail.

A coalition between Mr

C'Malley and Dr Fitzgerald is
widely regarded as the only possible outcome standing in the
way of a Fianna Fail victory in
the election chiefly heavies of

income and demand, and the
high degree of market segmenthe election, chiefly because of tation and lack of competition. their similar cost-cutting, free market approach to tackling the debt-burdened economy.

However, Mr O'Malley is clearly keen to keep all his options open and preserve the independence of his party,

The main planks of the manifesto are cuts in the Draconian tax regime, abolish-ing social insurance, health and youth levies on employees' earnings and reducing stan-

unemployment.
This would be paid for by big reductions in capital spend-

Soviet economist stresses reforms will take time to pay off

BY PATRICK COCKBURN IN MOSCOW

end of the decade, according workshops — will provide an to Dr Leonid Abalkin, head of immediate boost to the economy the Institute of Economics in and could contribute 10-12 per Moscow and one of the cent of the national income in country's most influential 10 years. advocates of economic change. He expects two changes being introduced this year to have an

The freight service was already set up co-operatives to provide services or for small-scale manu-facture.

Yesterday, only a freight service from Larne, in Northern Ireland, to Great Britain was still operating.

In the present dispute, costing the company more than £500,090 (\$765,000) a week, 1,000 of the 1,400 workforce have been laid off.

The PD's, as they are known, are in confident mood with a steady 15 per cent opinion poll rating. They hope, under the proportional representation system, to win around 20 seats in the 166-seat Parliament.

dard income tax to 25 per cent in five years to stimulate growth to tackle 19.3 per cent

ing—some of it coming out of the budget of the Industrial Development Authority — a public pay freeze and privatisa-tion of state assets such as forests and the Irish Life building society.

THE PRINCIPAL economic by his forecast last year that

reforms being introduced in the introduction of co-operatives the Soviet Union will only — individuals coming together begin to boost output at the to perform services or establish

The main thrust of economic change, however, is shifting existing industry and agriculalmost immediate impact, however. These are the new laws on individual labour, allowing citizens from May 1 to work part or full time on their own account, and another law, to be linked to profitability and ready in six months time, enabling individuals to unite to setf-financing, whereby the main economic decisions on an enterprise will be decided by its management, not by lanners in Moscow. Pay will be linked to profitability and productivity.

The prices of key items such

as oil, gas, coal and cement, as well as basic foodstuffs, will be decided centrally by the Government. The prices of other goods will be more flexible, subject to contract negotia-In an interview Dr Abalkin said that the transfer of Soviet enterprises to full cost account-ing with a measure of control the state.

Economic restructuring had very little to do with the good figures for growth last year, says Dr Abalkin. The 4.1 per cent increase in national income and 4.9 per cent jump in indus-trial production he attributes to

After several years of large current balance of payments deficits in convertible curren-

cies, Yugoslavia managed to obtain a surplus of \$800m in 1984. This enabled it to make some net repayment of external

debt and ease its severe import

However, the subsequent relaxation of economic policy was premature, according to the OECD, because it had not been preceded by sufficient progress in tackling inflationary

pressures and other basic weak

nesses of the economy. As a result, the current balance of

payments surplus in convertible

currencies fell sharply in 1985 to \$400m and swung back into

a small deficit of \$200m in the

ary pressures strengthened sig-

nificantly, with the annual rate

of consumer prices accelerating from 40.5 per cent in 1983 to

52.2 per cent in 1984. 73.5 per cent in 1985. and 92.9 per cent

Italians to be a real possibility.
Once IRI the state holding group, and Fiat have completed

the merger of their Italiel and Teletira telecommunications equipment subsidiaries, the Italians are likely to seek dis-

cussions with foreign com-panies in the sector on joint

first half of last year.

restrictions.

Yugoslavia urged to give

priority to inflation fight

Craxi for talks in London

THE ITALIAN Prime Minister, tions sector is considered by the

BY OUR PARIS STAFF

YUGOSLAVIA has been urged

by the Organisation for Econo-

mic Co-operation and Develop-

ment to give top priority to the fight against inflation.

In its annual report on the

Yugoslav economy, the OECD notes that the annual rate of

consumer price inflation rose to

more than 90 per cent in the second half of last year. It also points out that Yugoslavia

has not shared in the same dis-inflationary process in the 1980s as other OECD countries because of companies' lack of

Although Yugoslavia made

economic progress in 1984, the

OECD suggests that the subse-quent decision to relax price controls and promote higher growth and living standards in 1985 and 1986 proved prema-

Mr Bettino Craxi, will meet Mrs Margaret Thatcher, his UK counterpart, tommorow during a two-day visit to London. It will be their first such bilateral consultative talks for almost a

He is expected to address

senior bankers, businessmen and economists on the Italian

economy and its prospects. There has been a substantial

rise in British investment in Italy since Mr Craxi took office

three and a half years ago.

works (which produce wire rods and reinforcing bars) at Domnar-vet, its light section Mill in Lulea, and its hot strip mill in Suraham tions between buyer and seller with an upper limit imposed by ing with a measure of control over their prices will only be completed in 1990. The first stage of this fundamental change in the way industry is organised started at the beginning of this year with seven ministries and 36 enterprises shifting to financial autonomy. Studies show that some 2.5m It proposes cutting 2,200 jobs, or 15 per cent of its total workforce of

15,000 over the next couple of years. The proposals will now go before the unions and a final decision will be taken next month.

shifting to financial autonomy.

Studies show that some 2.5m people are likely to offer individual services full time, according to an article in Sovietskaya Kultura. Another 18m-19m people out of a total labour forces of 129m are estimated to have second jobs in memspaper, Pravda, vesterday ing members of the party whom at present, and a poll by the institute of Socialogical opposed to reform. "Some Research showed that 27 per leaders are only imitating cent of people wanted to earn reconstruction, and they are extra money by additional labour.

Dr Abalkin says that he sticks

Mr Bjoern Wahlstroem, the new chairman, warned that if the clo-sures and job cuts did not take place, SSAB would only break even in 1987 and would face losses of SKr 200m in 1988.

to cut the unprofitable areas of business. The two iron ore mines which supply SSAB with more than two thirds of its ore, made a loss of about SKr 80m last year.

LKAB, the state-controlled ironore group of which Mr Wahlstroem was formerly chairman, stands to gain by this decision, and will probahly now become the sule supplier. The steel profiles works at Lulea made a loss of about SKr 100m.

The board now proposes invest-ing over SKr 1bn in SSAB's core business of strip mill products and hopes that the restructuring will make SSAB a stronger candidate for a stock market launch in the fu-

Papandreou

Greece's Socialist Government and the country's trade unions have deteriorated further following a bitter attack by Mr Andreas Papandreou, the Prime Minister, on public sector workers who are striking for higher pay.

The unions want the Govern-

ment to relax its austerity in-comes policy which is part of two-year economic stabilisation programme designed to domestic and external deficits. Mr Papandreou said at the weekend that he considered it unacceptable that "workers in private industry should have given the Government more grace than privileged workers in state corporations and banks."

He singled out workers in the Public Power Corporation, whose strike has caused electricity supply problems

the early 1990s and then start declining. Its peak in 1991 is forecast to be 585m tonnes of lower than two years ago, and prices in the domestic market 545 mtoe in 1985. Although there will be a greater use of oil for electricity generation in Italy, the Netherlands and Denmark, this will not halt the overall phasing out of oil from ventures.

Mr Craxi will be accompanied on his visit by Mr Giulio Andreotti, the Foreign Minister, Mr Giovanni Spadolini, the Defence Minister. Mr Clelio Darida, the Minister of State Holdings, and Mr Valerio Zanone, the Industry Minister. Co-operation between the two Tim Dickson reports that near-farcical events in a small provincial council have put the centre-right coalition in jeopardy

Martens puts his faith in moderates as language dispute flares

AT A New Year reception for senior ministers and politicians King Baudouin got straight to the point. How, he asked, could Belgium set an example to the rest of Europe while remaining so disunited at home? Italy has provisionally released Awni Hindawi, the Jordanian attacks in London and West Berlin, Reuter reports from Only four weeks into the

Hindawi, a 26-year-old country's six-month presidency from of the EEC—essentially an opportunity for the Govern-He political science student at Genoa University, had been rement to influence, even direct, additional motives for wishing Community affairs—all the evidence suggests that the ment's tough economic measmonarch's timely warning has been flatly ignored.

The line has some power and the to stay in office. The Government's tough economic measures are just starting to pay off in terms of lower inflation, leased through lack of evidence, on condition that he remain at Sasselo, a small town not far

important village mayor but runs to the end of June, offers actually rooted in far deeper the rare possibility for the cultural and historical differences between Flemish speaking Flanders to the north and role on the international stage.

Francophone Wallonia in the Few Belgians would bet large south—has once again become a national preoccupation. Persistent attempts to break the deadlock have so far failed to yield a solution and with signs that do not look good. the conflict may be spreading. the centre-right coalition of Mr Wilfried Martens is once again in danger of falling apart.

to a head in the next few weeks but all are agreed that time and new options are rapidly running out.

from many similar crises in the

improved cost competitiveness Belgium's long simmering improved cost competitiveness language dispute—ostensibly and a better balance of trade. And the EEC presidency, which control of the end of lune offers leader of a small country like Belgium to play a prestigious

Few Belgians would bet large sums of money against Mr Martens surviving that long but even some of his closest advisers admit that the odds

The time bomb ticking away under the Government is, as before, Mr Jose Happart—the French-speaking ex-mayor of a A mood of uncertainty pre-wails in Brussels with few Les Fourons who refuses on observers prepared to predict the next move. Few seriously believe that the issue will come sequence lost his job.

Mr Happart, a member of the Walloon Socialist party has since become a potent symbol for much broader economic and If anyone can confound the pessimists, it is Mr Martens. A skilled negotiator and concilator, he has emerged triumphant from many similar crises in the ing Christian Democrat parties in the coalition (the CVP and the PSC) when the quasi-judicial Council of State annulled his election late last

September. That decision pitted those in Flanders who argue that the language laws should be upheld, and those in Wallonia who point out that Mr Happart is the democratically elected representative of the local people

To an outsider at least some of the subsequent events have bordered on the farcical. Mr Happart has refused to fade away, getting himself appointed as First Alderman and thus de facto assuming the role of act-ing mayor in the absence of an official appointee. His behaviour has naturally infurlated the Flemish parties—notably Mr Martens' own CVP—who see a flagrant challenge to the constitution and (more fundamentally perhaps) a politically in-spired ploy for greater regional autonomy.



Their fury is not likely to 10 days ago was re-elected in have been abated last Friday when Mr Happart—suspended fresh council elections and so (as local newspapers put it) started a new "turn of the from the post of First Alder-man by the Provincial Governor carousel."

berations, the conflict has also with the annulment of the elections of four officials from councils close to the capital on the same grounds as Mr Happart. New sensitivities have also

been aroused by a proposed Flemish decree giving powers to the Flemish Government to influence mayoral appointments, thereby (according to the Walloons) undermining local democracy in those Flemish councils where French speakers are in a majority. So far all efforts to find a

solution have failed igno-miniously. One Interior Minister —Charges Ferdinand Nothomb -lost his job last year after an ill-fated attempt to find a compromise mayor for Les Fourons, His successor, Mr Joseph Michel, has come in for flerce criticism for a widely leaked plan to keep Mr Happart as First Alderman but to erode the powers of that office. Mr Martens' own party, the CVP,

has been particularly critical.
It is against this background Prime Minister is desperately seeking inspiration. Tough behind the scenes negotiations have continued in the last few

a new initiative-but no details physically moved closer to Brussels in the last few days have yet emerged. Mr Martens — a committed Federalist—would clearly like

the whole language and re-gional question—including the 1980 constitutional reforms which form the basis of the country's bilingual government reforms-aired in a special parliamentary forum. this would satisfy quickly enough the regional aspirations of some of the protagonists is open to doubt. One problem is that boundary changes have to be agreed by a two-thirds majority in parliament—and by at least 50 per cent of all parties—clearly inconceivable at the moment.

The next deadline is probably just one month away—the date when the Limbourg governor must confirm or annul Mr Happart's election, thereby putting the ball back into the Government's court. Either way another crisis is likely. Mr Martens' main hope may

lie in his conviction that most of mounting bitterness that the of the Belgian people are as moderate as their King-and that the issue has been magnified out of all proportion by politicians and the country's days with a view to launching highly partisan press.

transfer in the contract of the

atebb'

Israe

gesberg and Dannemora, its electric arc furnace and the Morgan

kon bor

machi po

The restructuring plan comes at a time when group says it cannot live up to previous profits forecasts pre-sented by the last board as late as Profits after financial items were then expected to reach SKr 350m-

400m (\$54m-\$62.5m) for 1986. The new board, which was brought in last November with a change in the group's ownership structure, now says that profits for 1986 will only reach SKr 275m because of overcapacity, falling steel prices and the falling dollar.

As a result, the board has decided

attacks unions

By Andriana Jerodiaconou in Athens THE CHILLY relations between

dig north

Charmo

TO STATE OF THE PARTY OF THE PA

The responsition SEC SEC d is provide A SAME AND S total state will now to be the same 2622点

iring planeta; CONTRACTOR OF THE SECOND Consecrations of the second Comitor in board with is November 5 a Storbis of Says that pro-Teach SE-TE CONSCION POR "all ag dela" Watteron to thed the ta rould only being Would iss as the board by E

.norodelebb zz. : TWO ATE 375 SSAB mil 式 ns ore, meets 57 .25" Yes 21312-0127-2: 水色油、松平色 uburman gi ಚಿರುಚರಿತ, ಚಿತ್ರೇವ othe the steat olies worms. ್ ಎಂದು ನಿಡಿಸಿತ new propiet : 12: iz 5545. the self page the restricting 3 ಕಾಣಕ್ಕೆ ಹ arie: laurer

idreou es union a leroducensio 2 3.32 Gaite

ment of trace and control of t e public 3 372 STST the whole the for the word for a line of the same of the sam TO THE CONTROL OF THE

d out withing the of Capital the capital participation appears for mission jeopardi

arord.
With just two years to go, that target is some way down the road and the dream, despite large scale investment, has increasingly faded.

"The Government has mistaken this localization policy." The second secon mistaken this localisation policy with a more equal distribution of wealth," says Mr T. P. Rachmat, managing director of P. T. Astra, the country's leading producer who was chosen to spearhead the programme.

Backpedalling fast, the Government last week introduced minor reforms, raising hopes

The second of th

allow assemblers to use excess capacity to diversify product lines, without formal approval, and come at a time when the motor industry is deep in its worst recession for 10 years. Nowhere has the dramatic downturn in earnings from oil, the main export, depressed consumer demand more than in the automotive sector. Last year's sales ended at just 140,000 units, half the industry's installed capacity, having peaked at 210,000 in

that a major overhaul may be in the offing. The changes will

The 45 per cent Rupiah devaluation in September repre-sented another blow for an industry still dependent on to Japanese and other continues to spread it is only a imports for over 50 per cent of assemblers, all in an effort to matter of time before that parts-not mention the foreign debt com-

Entebbe rescue hero | US refuses appointed chief of Israeli forces

ing to its crities, a financial mill-

stone which could sink the national

life, Maj Gen Shomron publicly sup-

ports purchasing a cheaper imported weapon over the more expen-

sive, home-grown product. As a

young paratroop commander, he ar-

gued in favour of buying the Ameri-

than the Israeli Galil.

can M-16 automatic rifle rather

country, on study leave in the US, when Israel invaded Lebanon in

June 1982, and therefore escaped

the opprobrium which attached it-

self to many of those associated

with that highly controversial

among his peers, and the way he

Not for the first time in his army

BY ANDREW WHITLEY IN JERUSALEM

ISRAEL'S new top soldier, the nally ratified, considerable changes Chief of Staff of the Israeli Defence could be in store for Israel's armed Forces (IDF), is to be Maj Gen Dan forces - presently suffering from Shomron, 49, the hero of the 1976 Entebbe rescue operation. The Chief of Staff designate is on

Maj Gen Shomron's appointment record as favouring quality against quantity when it comes to ground forces. He is expected to push for a was announced at Sunday's Cabinet meeting. He takes up the post in April when the four-year term of the present Chief of Staff, Lt-Gen smaller but more efficient and hetter-equipped army. The cost of Moshe Levy, expires.

foshe Levy, expires.

Although Maj Gen Shomron is force in the field will not fall, but ighly regarded as a professional more manpower would be released highly regarded as a professional soldier, he has nevertheless faced considerable resistance from the upper ranks of the IDF's high command on his appointment to one of the most important positions in Istaeli national life.

In an unusually company content to the controversial Lavi fighter aircraft, the pride and joy of the country's defence industries but, accordingly the content of the controversial Lavi fighter aircraft, the pride and joy of the country's defence industries but, accordingly the content of the controversial Lavi fighter aircraft, the pride and joy of the country's defence industries but, accordingly the content of the controversial Lavi fighter aircraft, the pride and joy of the country's defence industries but, accordingly to the controversial Lavi fighter aircraft, the pride and joy of the country's defence industries but, accordingly to the controversial Lavi fighter aircraft, the pride and joy of the country's defence industries but, accordingly to the controversial Lavi fighter aircraft, the pride and joy of the country's defence industries but, accordingly to the controversial co

In an unusually strongly contest-ed succession battle, Lt-Gen Levy had thrown his own not inconsiderable weight behind the candidacies

of two other senior officers, Gen Amir Drori and Gen Ori Orr. However, Lt-Gen Levy was up against Mr Yitzhak Rabin, Defence Minister, who personally favoured the outsider from the northern kibbuts - and that was apparently enough for the Cabinet.

The contest is not yet over. Appealing over the head of the Defence Minister, the outgoing Chief of Staff will this week take his case against his designated successor di-rectly to Mr Yizhak Shamir, the

Lt-Gen Levy, wanted to stay on in three-year war. Maj Gen Shomron's outspoker his post for another year at least and he could win a brief postponeviews have not made him popular

However, if, as expected, Maj was appointed over their heads will Gen Shomron's appointment is finet have helped.

BY JOHN ELLIOTT IN NEW DELHI

to renew **NZ** weapons agreement

By Dai Hayward in Wellington THE US has refused to understanding with New Zealand which gave New Zealand the right to buy military equipment at a reduced price, because of New Zealand's nuclear ship

The cancelling of the treaty means New Zealand will have to pay more for delence equipment and loses priority access to equipment which may be in short

supply,
The action is retalization for Wellington's ban on port visits by US nuclear-powered ships—a ben which has led to the breakup of the Anzus defence agreement between America, New Zealand and

Australian car sales plummet

By Chris Sherwell in Sydney MOTOR VEHICLE sales in Australia plummeted in December to their lowest levels since 1968. According to figures published yesterday to ngures published yesternay by the Australian bureau of statistics, seasonally adjusted sales of new motor cars, station wagons and other vehicles were down 29.1 per cent on December 1985.

Projections suggest that sales in the 1986-87 financial year ending in June will fall further than expected, dip-ping below the 500,000 mark and forcing the five domestic manufacturers into tough decisions on production.

Last month the Government

told producers to make specific commitments to increase output of their lowvolume models or cease pro-duction of them altogether.

South African MP recants

DETAILED TALKS about how to pull back a total of 790,000 Indian and Pakistani troops from the borders of the two countries are to continue in New Delhi this morning for the third consecutive day.

It is possible that the talks may be further extended till talks, games of tennis and a Mr Albert Nothmagel, a National Party MP, has recanted his criticism of Pretoria's refusal to negotiate with the ANC. Jim Jones reports from Johannesburg. It is possible that the talks may be further extended till tomorrow because of the complexities of trying to reach an agreement on troop movements which will not come unstuck during the next few weeks when India is to hold major manoeuvres on its side of the border and wills be trying to cope with increasing Sikh viocence in its border state of Punjab.

Delegations of senior diplo-In a letter made public late Sunday by Mr F. W. De Klerk, the Transvaal National Party leader, Mr Nothnagel says that his aim had not been says (not his aim and not been to "undermine the party's leadership or resistance to the party. The letter was written only after discussions between Mr Nothnagel and senior cabinet ministers.

Zambia revalues

Zambia revalued the kwacha supwards today by 65 per cent following a decision last week to abandon an auction system that had been used to deter-mine the currency's official parity, central bank officials paid. Reuter reports from said, Reuter reports from Lusaka. The Bank of Zambia was yesterday trading the kwacha at 9.045 to the dollar with commercial banks, up from the 14.92 rate struck at

Karachi police fire on mob

Delegations of senior diplo- according to Indian sources.

India, Pakistan may extend

talks on border tensions

up trucks plus perhaps a few four-wheel drive vehicles, all of them made in Indonesia.

The Government dreamed up a plan in 1976 to have a homegrown motor industry by 1989, promoting commercial vehicles

at the expense of the saloon car which it considered a Western

the country could ill

POLICE opened fire on demonstrators throwing bombs as rioting broke out again in Karachi yesterday, the fifth consecutive day of unrest, Our Foreign Staff reports.

At least two demonstrators were injured after the attack which police said was accompanied by tear gas in response to attacks by protestors armed with stones and home-made bombs in Karachi's Orangi Town Witnesses added that at least 50 people were arrested for rioting on the fifth consecutive day of unrest in the city. Eight the latest round of civil unrest in Pakistan's most populous city.

Charmed life of Indonesian

motor industry comes to an end BY JOHN MURRAY BROWN IN JAKARTA

IF THE Government in Jakarta
had its way, visitors would find
nothing for transport but picknothing for transport but pickent of sales, has only made things worse. In past years the Government has bumpstarted demand by lowering duties on component imports. However, the pressure on the balance of payments is such that a tariff increase seems more likely in a bid to wise expense and stars. a bid to raise revenues and stem the heavy outflow of foreign exchange involved in the

> 'Nowhere has the dramatic downturn in earnings from oil, the main export, depressed consumer demand more

than in the automotive

sector '

purchase of components. The picture has not always been so bleak Indeed, behind a wall of tariffs and, more re-cently, an outright ban on complete vehicle imports, the car industry has enjoyed something of a charmed life since its inception in the mid 1960s as part of President Suharto's

economy dominated by the Many of the industry's tained by their parent com-problems can be traced back to panies, all still view Indonesia the oil boom years when the as a potentially huge domestic Government dished out licences market. As the road network to Japanese and other continues to spread it is only a to give consumers a wider potential is tapped. Meanwhile, com-component choice. The result today is an profit or no profit, the com-industry choked with over panies will sit and wait.

new order regime. In an

capacity, with 21 plants producing 25 separate makes and 111 models. "It's a process of natural selection," says Mr Suriajaya, the 64-year-old chairman of Astra Group, the company he founded, importing US Chevrolets, and which is now the country's second largest indus-trial conglomerate.

"Only those with an exten-sive after sales service network will maintain their market share," he says, predicting a

share," he says, premeting a spate of mergers.

Astra controls 45 per cent of the market, assembling Toyota, Daihatsu, Peugeot and Renault, in a 70,000 unit capacity plant, the largest in South East Asia. With the makers of Suzuki and Mitsubishi, these three to-

gether account for 80 per cent of sales. The 17 other pro-ducers fight over a 20 per cent share, barely breaking even, let alone making a profit on investment.

For many Indonesians the debate must seem largely academic. Despite the impression of interminable traffic in Jakarta, car owners are still barely 1 per cent of Indonesia's

165m population.

At \$24,000 the price of a saloon car is way beyond the means of the majority, while annual per capita incomes remains at \$500.

Given this, it seems all the more surprising that no foreign state, the car sector was an area ventures have yet closed or of private business fieldoms. withdrawn. In large part sus-

Kidnappers warn Washington against attack

Middle East.

Syria's statement was issued as fortnight ago. In addition the properties a cousting for the properties and cousting for the properties a cousting for the properties and cousting for the properties and the propertie

ebanon or elsewhere in the Mr Terry Waite, the Archbishop related to "Islamic Johad."

The Kuwaiti Government has jani, who is Speaker of the shown no sign of giving way. Majlis (parliament) appealing the leader of the Among the prisoners is a cousin for his help in finding the

the shadowy pro-Iranian Islamic Liberation of Palestine" also Jihad are Mr Terry Anderson, face a death threat following

they believed Mr Waite had been "arrested" but not

proposals about the freeing of

ISLAMIC JIHAD, the extremist former Associated Press bureau

Shi'a group holding five chief in Beirut, and Mr Thomas

Western hostages, yesterday Sutherland, who was dean at the threatened to kill them if the American University of Beirut.

US intervened forcibly in It was their freedom which Lebanon or elsewhere in the Mr Terry Waite, the Archbishop of Canter
The Archbishop of Canter
Shi'a group holding five chief in Beirut, and Mr Thomas

"terrorists" should be freed are demanding the release of Runcie, has written to the powerful Iranian cleric Hojates
The Kuwait since December 1983. Iam Ali Akbar Hashemi Rafsan
The Kuwait Government has jani, who is Speaker of the shown powerful Farthy way.

Western hostages, yesterday sutherland, who was dean at the "terrorists" should be freed are demanding the release of Runcie, has written to the powerful Iranian cleric Hojates
The Kuwait isone December 1983. The Kuwait Government has jani, who is Speaker of the shown powerful Iranian cleric Hojates
The Kuwait isone December 1983. The Kuwait Government has jani, who is Speaker of the shown powerful Iranian cleric Hojates
The Kuwait isone December 1983. The Kuwait isone December 1984. The Ku

Anglican emissary.
The US State Department demanded the immediate release by Iran of Mr Gerald Seib, the Wall Street Journal Tehran and charged with spying

Nora Boustany reports on the proliferating Islamic revolutionary groups in Lebanon

Terror gangs known by name but little else

A FIVE INCH colourful map of Lebanon bursting with clenched fists and fervent ciencied lists and revent faces with a portrait of the Iranian leader Ayatollah Khomeini in the centre, are now plastered all over most of the walls still standing in the streets of West Beirut.

In the seaside Spaghetti houses and coffee shops scarved women and bearded men seem much more at ease than other anxious customers now conscious of and uncom-fortable with their western dress and manners.

The once westernised part of Moslem West Beirut seems swamped by the Shia popula-tion with their vaguely defined allegance to Iran and the Islamic revolution there. It is difficult enough to disentangle intra-Lebanese conflicts. There are, after all, at least 16 officially recognised



Hizbollah supporters shouting slogans in West Beirut

At the last but by no means definitive count there were at last nine shadowy underground group's known by name if little else.

least 16 officially recognised
the best known is the secretive Islamic Jihad. But there
The Christian Moslem conflict are also the Islamic Jihad for

and so on and so forth.

All these groups are now in deal with Mohammed Ali the business of kidnapping Hamadei, arrested on January westerners, and sending off 13 in Frankfurt and wanted in videos and tape recordings as the US to face air piracy and next of the Party Prescripts have

gional tug of war that the ties the Organisation of Revolu-been given a further spur by with Iran some of these groups tionary Moslems, the Hizbollah the hesitation of the West

part of the nerve wracking bargaining process.

Executions and murder groups closely allied to
threats have driven most beholden to Iran out of religious the country. The best known is the secretive Islamic Jihad. But there
the Christian Moslem conflict
remains far from being
resolved.

These considerations, however, have been dwarfed by
the rise to dominance in most
of the Lebanese capital of the
Shia population and the re
The best known is the secretive islamic Jihad. But there
Executions and murder
threats have driven most threats have driven most threats have driven most threats have driven most the Liberation of Palestine, the
Organisation for Revolutionary to the groups and the number of property increased since the US appeared opposed to all symbols of the Lebanese capital of the
Shia population and the re-

like the American University However, Libyan, Syrian and Palestinian groups sometimes in conflict but at other time in complicity, have made more complex the rivalry for international attention and financial

The Islamic Jihad Organisa-tion for the Liberation of Palestine, a new group, which announced its formation recently with the abduction of four university professors, three Americans and an Indian, are threatening to execute them if the US takes military action.

Suspicions that the Syrians are just as involved as the Palestinians are also rife. The kidnappings of West Germans focused on the arrest of Mohammed Ali Hamadel. His brother Abdel Hadi Hamadei is a senior security official in the Shia extremist Hizbollah.

Last but certainly not least is the Mughniyah from the Baalbeck area in the Syrian controlled Bekaz Valley. This is controlled by Imad Mughniyah, who is thought responsible for the kidnapping of many westerners since 1985 and is said to be arriver to secure the said to be anxious to secure the release of 17 Shi'ite bombers

Ask companies like BMW, Morphy Richards, Honda, Sodastream and a host of our other large and small customers.

They've got better things to do with their time than devote it to distribution.

At NCCS, on the other hand, we give every customer's distribution operation our undivided attention.

As a result, we offer hundreds of companies substantial savings and improvements in service.

The fact is, as a member of the National Freight Consortium, NCCS is flexible enough and

big enough to handle any company's entire distribution process.

And that means handling everything from source to consumer.

Talk about your distribution to Mike Tarrant, our Managing Director, and put the wheels in motion in the race against time.



The way things are moving.

NATIONAL CARRIERS CONTRACT SERVICES, MERTON CENTRE, 45 ST. PETER'S STREET, BEDFORD MK40 2UB. TEL: (0234) 272222. WAREHOUSING . TRANSPORT . INVENTORY CONTROL . ORDER PROCESSING . INFORMATION AND DATA TECHNOLOGY

Mr Casey's departure was has bee widely forecast since he underwent surgery last month to remove a cancerous brain

Intelligence Agency (CIA), has testimony is considered crucial managed the operation. resigned and his deputy Mr to discovering who knew about Robert Gates, a career officer who has served with the CIA since 1966, has been nominated as his successor.

Mr Casey's departure was attacked for inconstitution of the contract of the successor and rudderless, according to when the Agency's excesses and rudderless, according to the post Nixon era when the Agency's excesses and rudderless, according to the post Nixon era when the Agency's excesses and rudderless, according to the post Nixon era when the Agency's excesses and rudderless, according to the post Nixon era when the Agency's excesses and rudderless, according to the post Nixon era when the Agency's excesses and rudderless, according to the post Nixon era when the Agency's excesses and rudderless, according to the post Nixon era when the Agency's excesses and rudderless, according to the post Nixon era when the Agency's excesses and rudderless, according to the post Nixon era when the Agency's excesses and rudderless, according to the post Nixon era when the Agency's excesses are purely and rudderless, according to the post Nixon era when the Agency's excesses are purely according to the post Nixon era when the Agency demoralised and rudderless, according to the post Nixon era when the resulting flood of embarrassing disclosures—

The CIA's role in the Iran affair—and the resulting flood of embarrassing disclosures—

The CIA's role in the Iran affair—and the resulting flood of embarrassing disclosures—

The CIA's role in the Iran affair—and the resulting flood of embarrassing disclosures—

The CIA's role in the Iran affair—and the resulting flood of embarrassing disclosures—

The CIA's role in the Iran affair—and the resulting flood of embarrassing disclosures—

The CIA's role in the Iran affair—and the resulting flood of embarrassing disclosures—

The CIA's role in the Iran affair—and the resulting flood of embarrassing disclosures—

T

trasts with its revival under Mr At Mr Casey's direction, the Casey's leadership since 1981 CLA helped to organise a when, as a close friend and camtumour. After initial optimistic private network of arms dealers paign adviser of Mr Ronald reports, it was disclosed that he and former CIA operatives to Reagan, the President, he was

Afghanistan and Angola, and

But under Mr Casey the Agency also suffered heavy setbacks particularly in its efforts to match the KGB in espionage coups. A leading Soviet defector—Mr Vitaly reports, it was disclosed that he was suffering speech impediately supply the Contras with military appointed CLA director.

was suffering speech impediately supply the Contras with military appointed CLA director.

was suffering speech impediately supply the Contras with military appointed CLA director.

When the Contras with military appointed CLA director.

Whe

MR WILLIAM CASEY, the 73- Mr Casey is a key figure in the White House staffer sacked undercover operations to help in Washington and "redefect" oversee the CIA of operations year-old director of the Central the Iran arms scandal whose for his role in the Iran affair, anti-Markist insurgents in to Moscow. A CIA mole—Mr Edward Lee oversight laws.

Howard—disappeared while under surveillance at his New Mexico home in September 1985 and was later said to have betrayed America's spy network in the Soviet Union.

political appointment who lost a good opportunity to build solid political support for the Agency's activities on Capitol Hill. He regularly anatagonised Congress by not informing the select group of lawmakers who

The CIA sponsored mining of Nicaragua's harbours in 1984 is a good example. Mr Casey also argued strongly that Congress should not be informed of secret



Nancy Dunne reports on the controversy over surrogate parenting

US court ponders case of Baby M

JUDGE Harvey Sorkow of the New Jersey State Supreme Court makes no pretence of possessing the wisdom of Solomon, but the case of Baby M, over which he is now presiding, requires little less. In the first legal struggle of its kind in the US, the judge must decide whether a 10-month-old haby girl, conceived through artificial insemination, belongs to the surrogate mother who was hired to bear her, or the baby's biological father and his baby's biological father and his

wife.

The attention of the country has been caught by the drama. Not only are two sets of anguished parents competing for the same child, but the outcome of the case is likely to decide the future of surrogate parenting as a means of providing babies for the one in six American couples with infertility problems. infertility problems.

surrogate arrangements are handled through the dozen or so through the dozen or so agencies which have sprung in the US to match childless, prosperous couples with willing young fertile women, who are artificially impregnated with the contracting husband's sperm. The agencies usually charge several thousand dollars for their services and the surrogate mothers usually earn about \$10,000 plus expenses.

While the practice of paying charged her mind about the arrangement, turned down the money and fied to Florida with the baby. Authorities later found them and, returned the child to the temporary custody of the Sterns, who had named be mild to the temporary custody of the Sterns, who had named agreement, has little precedent to guide him. Of the 500-600

children and wife of a dustman, Abraham. Others point to the All

"Judge Sorkow, who has been asked to enforce the surrogate agreement, has little precedent to guide him"

trician and a multiple in fact, infertile, as the contract scierosis victim, feared she claims. The contract, he said, would be palaysed if she violates prohibitions in the attempted to bear a baby of her own.

Selling babies and relinquishing When the child was born last handled March 27, Mrs Whitehead or so changed her mind about the

parental rights before concep-

The case is complicated by the fact that Mr Stern is the baby's natural father. Since Mr Whitehead had a vasectomy operation years ago, it can be argued that Mrs Whitehead ed Mr Stern to provide her with a child. She insists, however, that she had not changed her mind until she was in the delivery room.

surrogate mothers usually earn about \$10,000 plus expenses.

While the practice of paying women for the use of their wombs may sound vaguely sinister, it is usually believed by those involved to be an act of humanity.

Such was the case of Mrs Mary Beth Whitehead, the natural mother of Baby M, who calls the child Sara. 3 30-year-old mother of two older children and wife of a dustman.

Agreement, has little precedent the day of the 500-600 she was in the delivery room. "I am doing this so the Sterns and I, and people like us, never have to go through something like this, and so there'll never be another baby like Sara."

In the end, it may come down to a custody matter, Mothers are generally awarded custody of bables in the US, although the Sterns' stronger financial situation will be in their favour. Abraham. Others point to the the attorneys involved

The case, like many in which the advances of science have outpaced legal determination, raises many question. If surrogate parenting is legitimised will it create a class of less affluent women, exploited for the value of their wombs? Will the practice grow into an indus-try with babies treated as com-modities? What ought to be the relationship of surrogate mothers with their offspring? Can a woman who promised to help a childless couple be bound to her written word?

Mrs Whitehead as attracted many important allies to her cause. One, who uses the pseudonym Elizabeth Kane, was a surrogate mother who handed over her baby in 1979.

"I built a wall around myself. I would not let myself feel for that child," she said in a recent television interview. However, one day she was talking by telephone to the child's adoptive mother and heard his voice. Since then she has been voice. Since then, she has been plagued by remorse.

Mr Bill Pierce, president of the National Committee for Adoption, is crusading for a ban on surrogacy. There are \$5,000 children available in the US for adoption, he said, although all are not healthy or white.
It is unconstitutional, he con-

tends, to "buy and sell living, breathing human beings."

Still, the number of children available for adoption, reduced by the use of birth control and abortion, can in no way meet the demand. For many decrease. are demand. For many desper-ate childless couples and women in need of money, surrogate parenting is the best of all possible options. **US** productivity up less than 1% in 1986

THE EFFICIENCY of the US economy in producing goods and services fell sharply during the last three months of 1986 to limit the annual productivity gain to less than 1 per cent for the second consecutive year, the Labor Department said yesterday, AP reports from Washington.

Non-farm business productwo-tarm dusiness productivity for the year was 0.7 per cent, slightly better than the 0.5 per cent increase in 1985, but well below the respective 1.8 per cent and 3.3 per cent increases of 1984 and 1983.

Manufacturers continued to show the best results. Manufacturing productivity in-creased 2.7 per cent in 1986 after 4.4 per cent in 1985 and a 4.1 per cent rise in 1984.

Shultz visit MR George Shultz, US Secretary

of State, will visit China in the first week of next month as part of a brief tour taking in South Korea and Japan. Mr Shultz's visit comes at a time when US officials are attempting to assess the significance of the recent crackdown on "bourgeois liberal-ism" as Peking describes West-ern political influence. Mr Shultz is likely to visit Can-

ton and Guelin before going on to Peking for two days of talks with Deng Xisoping, the Chinese Deere strike ends United Auto Workers union members in six states have approved a contract with Deere, ending a five-month

work stoppage, the union said.

n the Soviet Union. US arms sales to Iran.
Critics say Mr Casey was a • Associated Press reported

yesterday that the CIA's top officer in Costa Rica is being forced into early retirement for helping Lt Col Oliver North ship military supplies to the Contras in defiance of the ban



Brazil's bandits turn to mahogany rustling

free enterprise activity to cap-ture the imagination of Brazilian bandits in the massive, near-lawless northern state of

Gangs of Pistoleiros have discovered that the profits from traditional activities—robberies, extortion or as hired guns to intimidate squatters—can compare poorly with the returns from illegal lumberjacking.

Last month, news of this latest in Para's endless law and order problems hit the national broter problems hat the hatomathes with the murder in a gunfight of a Mr Tarley. Andrade, in Santana de Araguaia—a provincial town half way between Brasilia and the state capital of Belem. The case, the sixth in a fortnight according to one report, only gained countrywide attention as

the 27-year-old landowner was son of the treasurer of the recently-formed Democratic Landowners Union (UDR)—an organisation not noted for its softly-softly treatment of the

Behind the violence, more widespread even than the who spread even than the ubiquitous local land disputes, lies the stunning profits that felling the region's wild mahogany can bring. A cubic metre of the wood can be sold for as much as Cruzados 8,500 (£346)—ten times the minimum monthly salars. monthly salary.

In comparison, the murder last year of padre Josimo, a campaigning local priest whose killing caused an international outcry, was said to be commis-sioned for just Cz 50,000. The removal of less prominent

FREE RUSTLING is the latest figures can be arranged for a tenth of this.

Tree stealing has had dire

Tree stealing has had direconsequences for more orthodox loggers, reducing the number of legitimate companies operating in the area from 200 only a few years ago to 20. Attempts to restrict felling have hampered the companies further while the gangs have operated freely By celling have operated freely. By selling their booty to small, uninquisidown prices

Brazilian stocks of mahogany are said to be extremely high, while the substantial price of the wood on the international market has recently been slowing sales as buyers turn to other, cheaper alternatives.

Para is an enormous state, about half the size of the entire European Economic Community, and in the region where monty, and in the region where Mr Andrade was killed just one federal inspector faced gangs of up to 24 heavily armed men. As a local judge pointed out, when offered the choice of receiving a small facility payment for a temporary attack of official blindness or risking their lives were official denoted. their lives, such officials do not hesitate long. The wood gangs may be

The wood gangs may be damaging their own interests, however, Most pistoleiros have found that the most lucrative and regular work in the region has been helping the local large landowners protect their property from incursions of landless squatters. The death toll has run into hundreds.

By taking on their usual

US fighters for Iran operation uncovered

By Our Washington

PRIVATE international arms dealers led an operation to supply Iran with 39 American fighters and vast amounts of other weapons in definance of an embargo, but US Government officials who knew about sales did nothing to stop them, according to a report yesterday.

The US Government is said to have allowed the illegal efforts to continue because it wanted to gain intelligence in-formation about Iran and access to Soviet tanks captured by Iran in its war against Iraq.

The New York Times said senior Pentagon officials were told about the operation in December 1985, though some of the arms dealers involved in the operation believe some senior officials knew about the operation by early 1984.

The latest disclosures con firm a welter of other reports that the US public policy opposing arms sales to Iran did not match thee private reality. Equally, the report highlights inconsistencies in the US government's attitudes to the activities of private arms dealers involved with Iran.

In New York, a number of foreign and American busine men face charges of violating the US embargo. But, in the light of the disclosures yesterday and earlier reports of the US Government's dealings with Iran, it is difficult to see how prosecutors can make the charges stick.

The New York Times story reveals that the so-called Demayand project involved selling F-4 aircraft to Iran, with a contract value of more than \$1bn. It is not known if they were delivered.

Electronic arrests Criminal Justice officials in 20 US states are using electronic tracking devices to place more than 900 offenders under house arrest programmes, AP reports from Washington.

There are 45 such programmes in the US, 19 of them monitor-ing fewer than five defendants or offenders each, the National Institute of Justice said in a toll has run into hundreds.

By taking on their usual employers in the hunt for trees, the gangs may be killing a golden goose.

Institute or Justice said in a survey. Fourteen others supervise 20 or more people. The systems usually consist of ankle or wrist bands which emit an electronic signal to a computer.

WORLD TRADE NEWS

Soviets in move to enter Indian motor industry

BY JOHN ELLIOTT IN NEW DELHI

THE Soviet Union has launched an attempt to break into the proposed Rs 180m equity, industry with a joint venture, Asian Vehicles was chosen by

100,000 of the 13 cc Samara approvals needed.

car and the Niva four-wheel But approval mig drive vehicle. It says it will because India's motor manufacturing policy has been unclear vehicles as well as components. For over a year. There are conflicting views among ministers about how many foreign tions and the Indian privatetions and the Indian private-sector were discussed when Mr Mikhail Gorbachev, the Soviet exchange allo leader, visited New Delhi two partnerships.

Europe now being plans.

India's slowly expanding motor the proposed Rs found equity. Industry with a joint venture, Asian Vehicles was chosen by backed by a \$4.5m (£3m) the Soviets after approaches from more than a dozen Indian in partnership with a private company.

It proposes to manufacture each year between 50,000 and 100,000 of the 13 cc Samara approvals needed.

But approval might be delayed because India's motor manufacissued and how much foreign exchange allocated for foreign

leader, visited New Delhi two months ago.

So the project, which has not been cleared by the Indian Government, is believed to have considerable political backing in both countries. It might therefore have an advantage over other collaboration proposals from Japan and western Europe now being partnersnips.

Several Japanese and western several Japanese and western burden including Nissan, Honda, and cassembly and manufacturers. It proposals to the Government. Other companies, including Toyota, Subaru, Volkswagen, Fiat and Volvo, are drawing up plans.

considered.

A group of Indian businessmen and engineers have formed Asian Vehicle Industries of New Delhi for the venture, which would be located in south India and involve expenditure of covered by manufacturing considered. and involve expenditure of covered by manufacturing Rs 800m (£40m). manufacturing

US finance facility for New Delhi Exim bank BY NANCY DUNNE IN WASHINGTON

THE US Export-Import Bank, between \$200,000 and \$5m. moving aggressively into Asian Mr John Bohn Jr, Eximbank markets and to boost small and chairman, said the line of credit medium-sized sales, has made offered US suppliers competitive available a \$10m (£6.6m) financing in India where other medium-term financing facility countries have extended similar for the Export-Import Bank of facilities.

India.

The facility comes after the nounced approval of a financial US agency set up two \$100m guarantee to assist in financing concessionary lines of credit for the \$75.7m US cost of two Thailand and Indonesia and Boeing 757-200 jets to Royal announced it would challenge Nepal Airlines of Kathmandu.

use by public or private comfor more sales with foreign con-panies. Individual transactions tent, will cover 85 per cent of may have a contract value of the US export value of \$64.3m.

Japan in those markets for telecommunications and power project business.

The Indian facility will be
available to finance US exports
of capital equipment, services or
Capital goods components for
capital goods components for capital goods com

revive plan for \$2.3bn olefin plant By John Murray Brown in Jakarta

The project, to extract petrochemical products for the plastics industry, is to go to public tender, with finance provided by the contractors, Mr Abduk Rahman Ramly, president director of Perta-

Indonesia to

INDONESIA is to revive a \$2.3bn (£1.5bn) olefin plant construction project in Arun in north Sumatra. The project had been scrapped after falling oil prices forced a review of water capital scending. of major capital spending.

mina the state-run oil com-pany, said the Government would not provide loan guarantees, Capital outlays by the contractors would be recovered from production pro-

Exxon Chemical Company, a subsidiary of Exxon, the US oil company, was awarded the project when it was first tendered in 1982, it was then worth an estimated \$2bn.
The Government is also completing loan negotiations with Exim Bank of Japan for the funding of a \$900m liquefied petroleum gas development project at Arun and Bontang in Kalimantan, According to Exim, the yen-deniminated loan will be made to Mitsui, Mitsubishi, C. Itoh, Nissho Iwai and Samitomo.

The plant will process 1.95m tonnes annually for export to Japan with first shipment expected in 1988.

Italian companies in US sweetener venture TWO ITALIAN companies, Moutedison Chemicals Group and Ferruzzi Agro-Industrial, have announced a joint venture to manufacture artificial sweeteners in the US with Biospherics, of Maryland, Alan Friedman reports from Milan,
Ferruzzi, which controls
nearly 30 per cent of
Moniccison ordinary shares,
is to take 25 per cent of the venture. Montedison will also hold 25 per cent and Biospherics 50 per cent. The US company will contribute patents and tech-nology and the two Italian companies up to \$10m (£6.6m) of development funds. The idea is to develop, manufacture and market a low-calorie sweetener

Steven Butler on how foreign companies have been attracted by cuts in business costs

Singapore tunes in to the electronics boom

in from the airport. research
In a scramble to escape the facilities.

effects of the yen's appreciation, Aiwa is closing down its main Japanese factory, shutting off production lines one at a time, dismantling them and turning the switch on reassembled equipment in Singapore just six weeks later. At least 25 per precarious because of the sharp cent of Aiwa's output will be rise of local labour costs exported to Japan.

Aiwa is joining a stream of electronics companies from around the globe that have been expanding their operations in Singapore in recent months.

Now electronics is leading the economy out of a deep recession that still plagues many other sectors.

Singapore's electronics indus-The surge of investment in the electronics industry, which is matched equally by increases in production and export of electronic products, is one of the electronic products, is one of the clearest signs yet that the Singapore Government's efforts to
reduce the cost of doing business is working.

The scope of the industry has
ness is working.

The scope of the industry has
remained a critical mass.

Unlike

End product manufacturers have supported the growth of

IN A renovated factory building in Singapore's Jurong Industrial Estate, employees of Aiwa, the Japanese consumer electronics The industry is also rapidly moving out of pure manufacturcompany, are quickly bolting ing as companies begin to take together tables, conveyor belts advantage of Singapore's relatively cheap supply of engineers ment, just as soon as they come in from the airport.

Total relative moving out or pure manufacturing ing as companies begin to take the sing as companies begin to the sing as companies begin to the pure manufacturing the sing as companies begin to the pure manufacturing the sing as companies begin to the pure manufacturing to the sing as companies begin to take the sing as com

This is all something of a dream come true for the Singspore Government, which watched its electronics industry fall off sharply from a peak in the third quarter of 1984. The future of the industry was precarious because of the sharp earlier in the decade.

ingly by foreign companies producing for export. Virtually all the major players are pre-sent, from the Japanese giants Matsushita and Hitachi to European and American companies such as Siemens, Phillips, Nix-dorf, AT&T and General

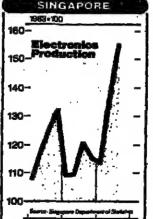
Unlike other countries in the End product manufacturers have supported the growth of a strong parts and components industry, which in turn makes technology transfer, or set it easy for new entrants to set up shop quickly.

The manufacturing industry now runs the gamut from sophisticated silicon wafer fabrication, for which SGS Semiconductor is the first entrant, to run-of-the-mill assembly of audio equipment and televisions, Singapore has now become the world's largest manufacturer of disk drives, with Seagate Technology having three factories that employ region, Singapore does not have rules that limit foreign equity ownership, mandate technology transfer, or set limits on employment of foreign expertise. Capital can be moved quickly in and out. Indeed, because of its small size, with a population of just 2.5m. Singapore's political leaders have ruled out the possibility that any single domestic company could be large enough to compete seriously against the technological giants that have set up shop here.

Since the multinationals are not seen as a threat to national region, Singapore does not

development, the Government development, the Government has no reason to erect barriers to limit their operations. Instead, it sees their presence as providing employment and opportunities for Singapore entrepreneurs who are encouraged to specialise in manufacturing or service niches. The attraction during the last decade, when many manufacturers first came to Singapore, was cheap wages pure and simple. Labour intensive assembly jobs such as soldering transistors to circuit boards had become far too expensive for Europe or America and workers did not need high skiller. workers did not need high skills

The Government's "high wage" policy of the early 1980s, however, undercut this rationale. The Government in essence told manufacturers that they would have to raise productivity to match the jump in wages, but investors were Early last year, as part of a



plunging into the red last year due to the effects of the high yen, it had no time to look Aiwa is still able to take advantage of cheap wages in neighbouring countries by con-tracting out mechanical assem-bly jobs, where precision is less important, to companies in Malaysia.

Singapore's production director, admits that if his company had

country where wages were lower. But with Aiwa's profits

Mr Uzurahashi also makes the rather startling observation that Singaporeans are more inter-national in outlock than Japanese, have better command of English, and that this will be a big plus for a company that is depending on foreign markets.

operates six different companies tion and the Government is in Singapore that produced doing averything to ease the \$\$630m (£192m) of goods last way.

package to revive a seriously flagging economy, labour costs dipped by about 12 per cent when the Government slashed employers' contributions to the Denshi, Singapore's superb teleemployers' contributions to the communication facilities, air Government implemented a programme of wage restraint and promised to keep the lid on for another year.

Even so, Singapore's wages are far higher than its neighbour's and wages alone cannot would be the case elsewhere in the region.

Densit, Singapore's superb telecommunication facilities, air and sea freight connections, and other supporting infrastructure make the total cost of the manufacturing operation lower than would be the case elsewhere in the region.

are far higher than its neighbour's and wages alone cannot explain the growth of the recently made preparations for the assembly of 256Kdram chips Mustry.

Mr Yochiro Uzurahashi, Aiwa in Singapore, with production to ingapore's production director, get under way as soon as dmits that if his company had demand picks up, and sufficient time it might

had sufficient time it might "The market is shifting from have chosen to expand in a Japan to this region," says Mr

Amid all this good news there are still some dissenters. Mr Nobuo Kanoi, a senior executive from Sony, told a seminar in Singapore last autumn that Sony would not invest in the island state. He voiced a com-Afwa had had a successful operation in Singapore and decided to expand. Factory space was readily available, rents and utility costs were coming down and a new operation could start without delay.

Aira had had a successful Singapore last autumn that Sony would not invest in the island state. He voiced a complaint expressed privately by many Japanese executives when he said that job hopping was too frequent. This is a growing worry, as many Japanese comworry, as many Japanese com-panies take Singaporeans to the home office for up to two years of training.

Government officials say the complaint is particularly strong from Japanese employers, who are used to a more stable labour market at home, but that com-panies based in other nations have not encountered problems.
Mr Kanoi also said the
infrastructure, labour force and of English, and that this will be a big plus for a company that is depending on foreign markets.

The cost calculus for Matsushita has come out more or less the same. Matsushita operates six different companies

Deal over radio relay station

BY JUDITH MALTZ IN JERUSALEM

In return, the Israelis have agreed to hand over all contracts involving the supply and installation of transmission equipment and antennas to the both countries.

It has also been agreed that at least another year before the relay station will be operated by Israelis but administered by representatives from equipment and antennas to the both countries. Americans but with one condition: the Americans will also believed the final agreement the 70 per cent minimum would be signed within a few originally sought by local industry.

ISRAEL and the US have resolved their differences over a controversial Voice of Ministry, who heads Israel's America relay station, to be built in the southern Arava Israel's companies will ultimately receive about one-third desert. Construction of the mately receive about one-third President. \$300m (£200m) station will be of these equipment contracts, once the reserved for Israeli companies. valued at \$170m. Mr Alster

An umbrella agreement, governing the establishment of facilities, was initiated during a visit to Israel by Mr George Bush, the US Vice Once the agreement is signed,

Mr Alster estimates it will be

Egypt power station pact

AUSTRALIA and Egypt have

Prime Minister, confirmed on a visit to Cairo that his government would help fund a detailed appraisal of the Zafarana project.

Siemens of West Germany.

General Electric of the US and several other international groups have been involved

Egypt has said it will meet

AUSTRALIA and Egypt have agreed to collaborate on detailed specifications for a \$20n (£1.30n) coal-fired power station and coal transhipment project on the Gulf of Suez, south-east of Cairo.

Australian companies have expressed an interest in the project. It would include a \$2,600 mw power station (4 x 650 mw units) plus a port capable of handling 15m tonnes of coal a year for distribution the Mr Bob Hawke, Australia's in Egypt and elsewhere in the

groups have been involved

Australian sources say that if the local currency costs of drawing up specifications. The project would be part-funded by the World Bank,

Australian sources say that if the project goes ahead, it would encourage the expansion of coal mines in Australia and the possible opening of new ones. possible opening of new ones.

an

ness cor

OOI

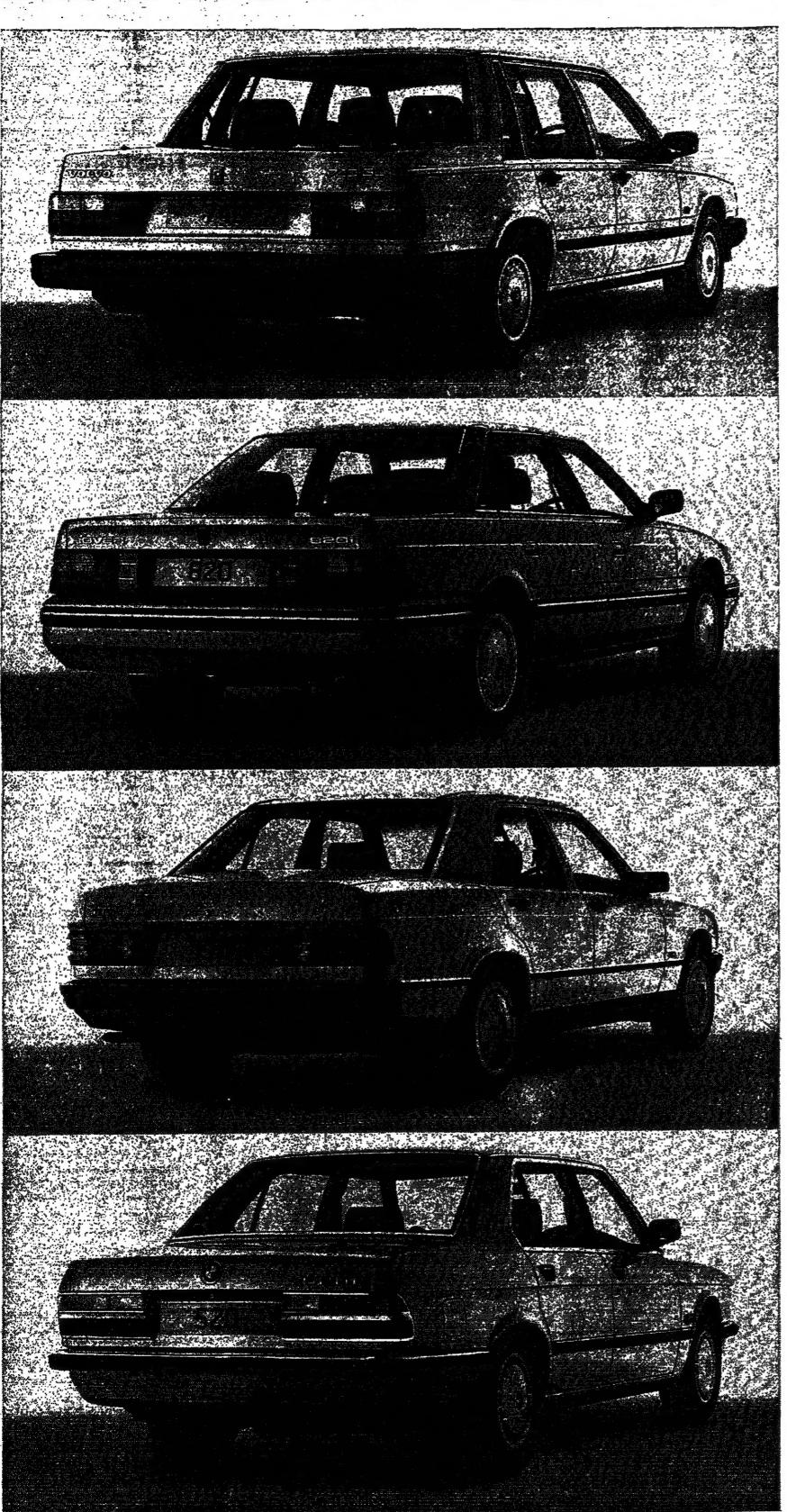
the higher in the Mr. Norwall intercept of Mar.

Trottor of and

opetable Mg:

W3V 35 15

SHOULDN'T A FIVE FIGURE CAR HAVE ROOM FOR FIVE FIGURES?



Of course.

But you can see how many cars fall short.

The Volvo 740 gives you those extra inches by keeping the wheel housing out of the way.

(Thanks to a long wheelbase and wider than average doors)

And what it does for elbows it also does for heads.

That distinctively raked rear windscreen provides distinctly more rear headroom.

What it all adds up to is a pretty clear choice.

You can either travel in the lap of luxury in a 740 or in the lap of a fellow passenger in something else.

To: Volvo, Springfield House, Princess
Street, Bristol BS3 4EF. For a brochure,
call 0800 400 430 free, or post the coupon.
Mr/Mrs/Miss

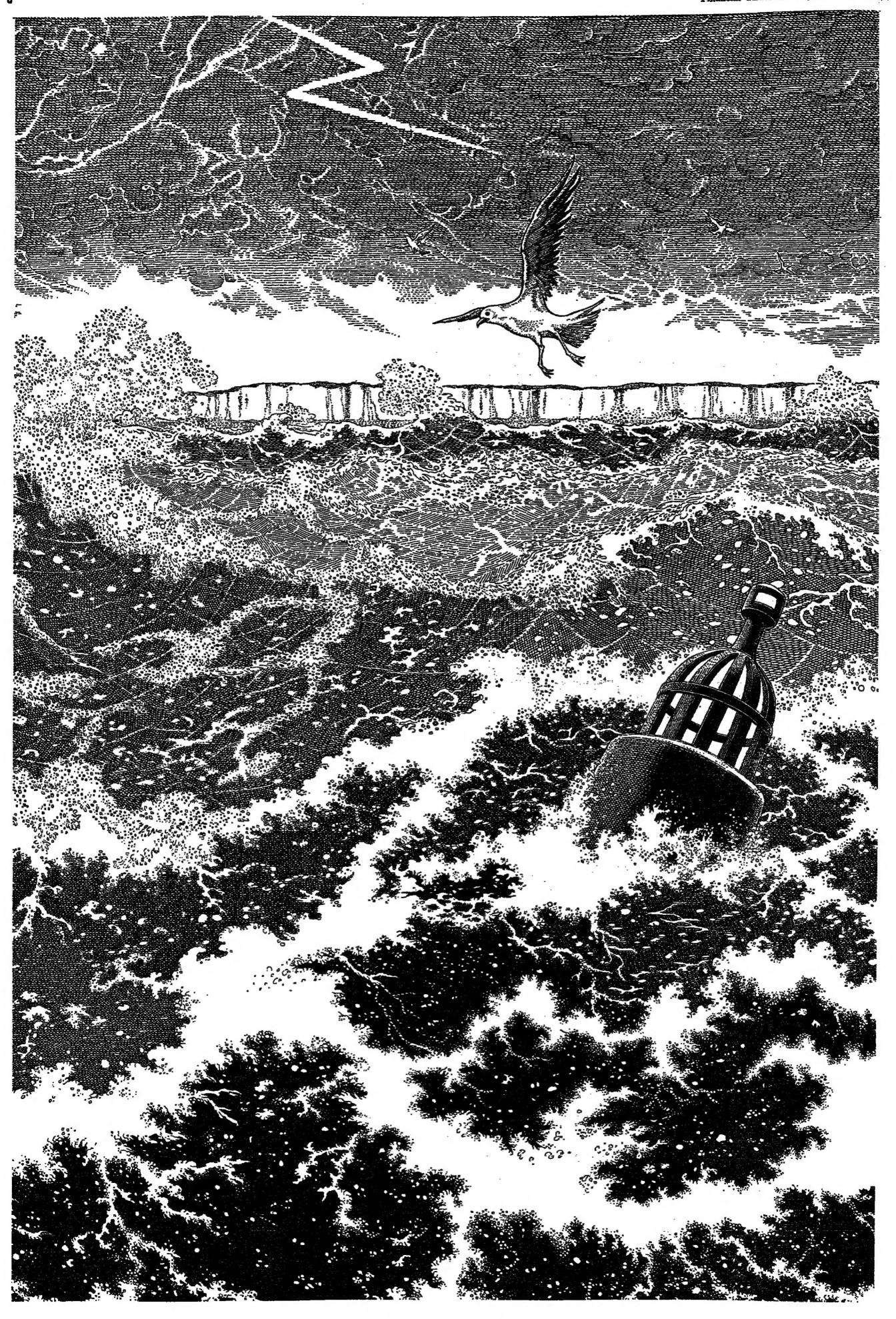
Address_

-

Postcode

THE VOLVO 740 GL. £11,065.

5



Six years from now, we'll have a unique new way of getting to the Continent.*

The Eurotunnel.

Unique because it's 100% weather-proof.

It'll guarantee us all a fast, smooth ride at any time of day or night, 365 days a year, come hell or high water.

London and Paris will be 31/4 hours apart, with Intercity trains leaving every hour from Waterloo.

If you're driving, the shuttle trains will get you and your car from Folkestone to Calais in an incredible thirty-five minutes.

By day, they will leave every twenty minutes or so, even more frequently at peak-times.

Forget the booking. Just roll up, drive on and you're off.

You'll travel better when you're under the weather.

Whichever way you look at it, the Eurotunnel's timing is perfect.

Without it, the whole system could clog up entirely.
The Channel is already the busiest stretch of water in the world.

24 million of us swarm back and forth every year and that figure could double by the turn of the century.

There simply has to be another means of speeding things on their way.

As well as cutting travel time, the Eurotunnel will provide competition for ferries and airlines.

And competition leads to lower prices.

And it won't cost the taxpayer a penny. The whole project will be financed by private investment.

Roll on '93.

Whatever the weather, the outlook's anything but gloomy.



The fast lane to Europe.

Grey market dealing consists reviewed its position in the light of

sibility of grey market dealings in

British Airways' shares because ket in Paribas (the French state-

Prior Harwin, the only other grey owned investment bank), and it market dealer, had been closed seemed odd to them that we were

down a month earlier by the De-making a market in a French priva-

Merger creates | Grey market begins in British Airways biggest legal firm in Britain

BRITAIN'S biggest law firm was formed yesterday through the at Clifford-Turner, said that Clifford merger of two City of London firms.

The merger will become effective on May 1st and the firm will be known as Clifford Chance. It will have over 160 partners, more than double that of Linklaters & Paines, and Slaughter & May. Together with Clifford-Turner, they made up the top three City firms ranked according to number of partners. fice. But the 630 legal personnel Firms of solicitors do not reveal fee worldwide have been told there will

The rationale for the merger which has been a closely guarded secret while under discussion for the past few months, was said yesterday to be a response to the needs of the international financial and business community.

Competition among the top City firms is increasing as their clients negotiate more complex deals, requiring legal experts with specialist knowledge in financial matters. A merger between two more City firms - Richards Butler and Cameron Markby - is expected to be an-

nounced shortly.

The last sizeable City merger was in 1980, when Cameron Markby was formed. Some lawyers believe that there could be more, with the Government now considering giving permission for partnerships of mixed professions.

Chance would be well placed to play Coward its part in maintaining London as one of the world's leading financial

> Sir Max described the merger yesterday as "a response to the needs of the international financial

Sir Max and Mr Tom Johnson-Gilbert, senior partner of Coward Chance, will be joint senior part-

The new firm, Clifford Chance is the product of a merger of strengths, and its significance lies in what it says about changes affecting the profession as a whole, as well as the changes running right

The merger, is the first signa that competition is making itself

some of the productivity measures The market for legal services in-creased dramatically in recent years, spurred by the growth in di-

Freight services hit in

vices from the Republic of Ireland on the state-owned B&I shipping line were at a standstill last night after the escalation of labour disputes that have plagued the lossmaking company for months.

Ships' officers extended their strike from the passenger service to with its unions on a survival pla the freight service yesterday when involving nearly 400 redundancie talks broke down in a dispute over The dispute is costing the company manning levels and scheduling. The more than £500,000 a week.

Both firms have several overseas

offices, including Tokyo, Hong Kong and Singapore in the Far East, as well as in Europe and North America. These might be amalgamated, and the plan is to put both firms together in a London of-

and business community.

ners in Clifford Chance.

through the City.

felt at this level in legal services.

BT wants over a longer period. Mr Golding proposed that some of the productivity measures BT wants should be considered as part of this year's pay talks. This may allow the 1986 award to be made with fewer strings attached to it, which would go someway to meet the union's demand that pay and pro-ductivity should be dealt with se-

to its issue price.

At the close yesterday it was quoting a buy/sell price of 80p/85p

for the 65p partly-paid shares, ref-lecting widespread expectations

that the issue will close oversub-

scribed on Friday and go to a heal-

thy premium when official dealings

BY CHARLES LEADBEATER, LABOUR STAFF

begin on Wednesday next week.

MR JOHN GOLDING, the general

ecretary of the National Communi-

eations Union (NCU) met senior

British Telecom managers last

night in an effort to give renewed momentum to talks aimed at end-

ng the strike by 110,000 telephone

angineers.
The meeting was arranged in sea if the two sides could agree a re-

vised framework to allow detailed

negotiations to consider phasing in

The Government is to crack down on the use of unapproved cordless telephones because they are interfering with emergency services. Mr John Butcher, Teneed that he would introduce legislation within the next two months to restrict the import,

sion of the phones.

UK licensed dealer which said it mainly of trading shares in new is- press comment and the "obvious"

would not make a grey market in sues before letters of allotment premium which the shares would

This appeared to rule out the pos-

partment of Trade and Industry.

Striking telephone engineers

may phase productivity moves

Yesterday, Cleveland said it had one."

British Airways' shares in advance have gone out. Last month Cleve-attract. of official dealings, yesterday per-land announced that it would no

British Gas flotation.

formed an unexpected about-turn longer make grey markets in priva-

and started trading the stock at a fisation stocks because of hostile premium of more than 25 per cent comment over its role in last year's

The strike follows the breakdown of negotiations on the union's 1986 claim. The union claimed that the strike is starting to affect the City of London, Several important City exchanges were out of action yeserday afternoon, the union said.

facture and posses-

Negotiations on the two annual

merging, as the NCU normally sub-

mits its claim in March. Mr Iain Vallance, BTs chief executive, said that before entering the 1987 pay round the company would have to conclude specific agreements on how the efficiency measures would be implemented.

"We were under a lot of pressure

from our institutional and interna-

tional clients to make a price," said Mr Harvey Lawrence, Cleveland's

tisation stock but not in a British

cornorate finance director.

However, he did not rale out the possibility that they could be phased in over a longer period, rather than introduced as a package in the 1986 settlement.

Union leaders recognise they will have to offer the company a de-tailed timetable for introducing the efficiency measures, and agree to some forming part of the 1986 set

The engineers' pay negotiating team met yesterday to draw up a proposed timetable for introducing the changes to working practice.

Dunlop Slazenger's chief to lead Raleigh

go out.

BY LISA WOOD

MR ALAN FINDEN-CROFTS, chief xecutive of Dunlop Slazenger International, part of BTR, the industrial conglomerate, has been appointed the future group chief ex-ecutive of the Raleigh bicycle busi-

Mr Lawrence stressed that Cleve-land would only deal with institu-

tional clients and that the minimum

size of trade would be 25,000 shares.

Cleveland thinks it can afford to

risk the Government's displeasure

over dealings in British Airways be-

cause the attractive premium it is

quoting is likely to encourage in-

Criticism about its role in the

British Gas flotation centred main-

ly on the fact that the low prem-

ums sometimes quoted could have

put people off the shares and jeop-

estment in the stock.

Raleigh was sold this month for £16m by TI group to Derby Interna-tional, a specially created interna-

tional corporation. TI Raleigh, based in Nottingham with factories in Holland and Canada, has suffered losses for seven years despite efforts by TI to turn the business around.

Mr Finden-Crofts said: "We have the lead man. paid this price on future gain and not past performance."

Mr Finden-Crofts, who has a 12 per cent equity stake in Derby In-ternational, said: The business is capable of being turned around in the next two years. It will however take between three and five years to have it safe and sound."
He said the Raleigh and its com-

ponent maker, Sturmey-Archer, were in a similar position to that of Dunlop Slazenger four years ago, with excellent international brands linked with the best product technology but with a high-cost opera-

tional base in the UK Mr Finden-Crofts said: "There has been no effective international co-ordination of product design, marketing and purchasing, which

company environment of industrial rather than consumer product man-

ardised the flotation's success.

Cleveland's move vindicates the

decision of Hill Samuel, the mer-

chant bank sponsoring British Air-

cial dealings in the shares to begin five days before letters of allotment

ways' flotation, to arrange for offi-

The justification for the decision

had always been that it was neces-

sary to minimise the amount of

time during which grey market

dealers might be tempted to op-

erate. That rationale began to look

tenuous when Cleveland said it was

The purchase of Raleigh by Derby International is expected to be completed by March. The founding shareholders of Derby International are Mr Finden-Crofts, Mr Merlin Nelson, formerly vice-chairman of AMF incorporated, once the secon largest bicycle manufacturer in the US, Mr Robert Johnson, an advisodirector of Shearson Lehman Brothers, the US investment bank, and Mr Edward Gottesman, a US awyer who lives in England who is

A number of UK institutions are involved in financing the deal. They include Kleinwort Benson and Barclays de Zoete Wedd, Globe Investment Trust and Witan Investment Corporation. Total shareholders funds of the new group will be more than £45m.

The international bicycle market is fragmented with strong local preferences but Mr Finden-Croft is confident that he can rebuild a mabasic product range. While Europe will continue to be

a major focus of Raleigh export efforts, Mr Finden-Croft is also looking to the US. Prior to 1979 the com-pany sold some 250,000 bicycles a have been operated within a parent

Employers may hold conference on Aids

By David Brindle

BRITISH EMPLOYERS may hold a special conference on the disease Aids, after disclosure that the airline, Dan-Air, had cited the disease in support of its former policy of not employing male cabin staff.

The disclosure is the first hard evidence of a big employer having discriminated against supposed or overt homosexuals on grounds that

they could spread Aids
The Confederation of British Industry (CBI) said it had been receivdustry (CHI) said it had been receiving a growing number of inquiries from employers about the risks posed by the disease. It had recently issued guidelines on the risks and consequences for employment policy, but was considering whether it should hold a special conference.

The Employment Department has already issued its own guidelines to more than 400,000 compa-nies, warning that discrimination against carriers of the Aids virus would in most cases leave employers open to actions for damages.

Evidence of former discrimina-tion by Dan-Air emerged yesterday in publication by the Equal Oppor-tunities Commission of its investigation report on the airline's practise, which ended last year, of em-ploying only female cabin staff.

The report says that in 1985, during the investigation, Dan-Air and its parent company, Davies & Newman Holdings, had told the commission that the airline's company doctor had advised against changing the all-women recruitment policy until the diagnosis and treatment of Aids became clearer.

Fig

7.5

3 ec. ...

Cable Televis 1000° 5 -

According to the report, Dan-Air's counsel had submitted that Aids mainly affected homosexuals and that up to 30 per cent of men at-tracted to cabin staff work were homosexual. Cabin staff were "sexually promiscuous" and the disease could be transmitted through sexufor international business around a | al intercourse or, to passengers, through sufferers either cutting themselves or administering artificial resuscitation, the report added.

Dan-Air said last night that it had not alleged promiscuity on the part of cabin staff, but it otherwise deyear there but it was largely priced fended its former policy on the becat of the market with the strength of sterling.

Of Canal State, but it was largely priced fended its former policy on the bearing that relatively little had been known about Aids at the time.

Irish shipping strike freight service was already down to half capacity because of another un-

resolved dispute with craftsmen. Only a freight service from Larne, in Northern Ireland, to Britain was still operating yesterday Apart from the immediate disputes, B&I is struggling to get agreement with its unions on a survival plan

Single union deal threatens clash

npany in South Wales was heading for an inter-union clash yester- said single union recognition had day over a single union agreement which it is expected to sign. The EETPU electricians' union is

ment next week. Mr Wyn Bevan, the union's executive councillor,

day over a single union agreement been offered by "a process of elimination of the other unions."

The EETPU electricians' union is likely to confirm the single union deal with Orion UK in a joint state-

deal with the EETPU would, in the circumstances be in breach of Trades Union Congress guidelines It is understood that Orion recently backed off from signing a deal with the EETPU because of TGWU pres-

"Rapido." "Beeilen Sie sich." "今直ぐ" "Hurry"

The demand for fast international correspondent banking is the same in any language. So is the response, PNB.

Every day you may be losing thousands of dollars in interest or the business of good customers. Why? Because your U.S. correspondent bank delays collections or payments, or it fails to respond to inquiries. Put a stop to it. Switch to Philadelphia

National Bank or our Edge Act affiliate Philadelphia International Bank. Because our European and Asian offices have on-line, real time access to our mainframe in Philadelphia, we can answer your inquiries in minutes as opposed to days. We can even give you information about transactions in other PNB offices --- in your language, without time zone delays.

Our error ratio is one of the lowest in the industry - as low as one-tenth of what some

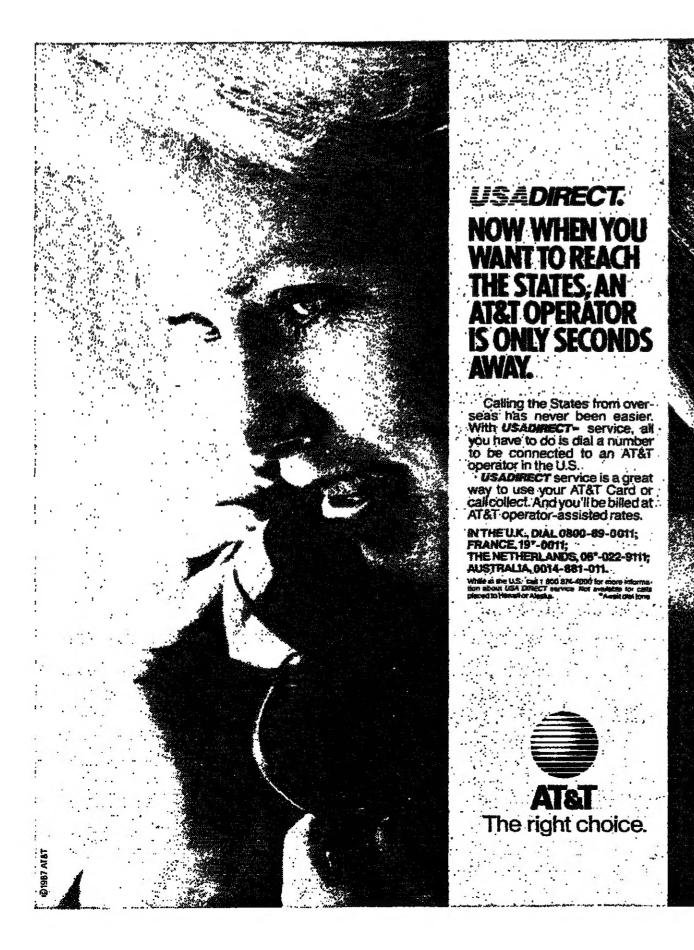
banks advertise. One reason for that is your account officer, who personally follows up every inquiry you make. And only PNB gives you a monthly status report of all outstanding investigations, thanks to our on-line Investigations Tracking System.

To find out more, call the PNB representative office nearest you. Or contact Steven S.

Nichols, Senior Vice President, via telex at 84-5297. We'll teli you how we can improve your correspondent banking — fast.

Philadelphia National Bank Licensed **Deposit-Taker**

London • Paris • Luxembourg • Hamburg • Tokyo • Bangkok • Hong Kong • Manila Singapore • Sydney • Bogota • Buenos Aires • Panama City • Sao Paulo • Nassau



\$205'S 976 e Clearer

to the report ತೆ ಯಾವಾಪಕ

ected become

ಕಿಯುವುದಕರೆ ಬೆಲ್ಲ live of, to per ಯರೀಕಾ ಚಿತ್ರ 1 C. Marine .121.00, 118.75<u>7</u>2 रुपाये दिया संदेशक

i promisent at 1200, but a met

ಿಸ್ತಾಪ್ ಕ್ಷಾಪ್ತ್ರಿ authaly base

11 A 18 3 (B)

30 per 382 da ಚಿತ್ರದ ಪಚಿತ್ರಕ್ಕ - ೦ತಿಯ ಶಾಲೆಕ್ಷ

Lucy Kellaway analyses the position of offshore development after recent price rises and before next month's Budget

Few prospects on horizon to lift North Sea drilling out of doldrums

THE CUTS announced by the oil industry for the North Sea last year are biting hard. Only 18 wells are being drilled in four more fields — Ettrick, the UK sector, compared with Arbroath, Osprey and Don — pass the test.

At fabrication yards the workers have been watching completed platforms sail out to sea, and are growing desperate for something more to do. However, since oil companies

drew up their slender budgets for this year, the oil price—expected by most to remain near \$15—has risen by about 20 per cent. But has the rise come in time to provide enough work to keep development to be the rise come. to keep development teams together, and keep the industry

A dramatic recovery would be too much to hope for. While the present price of \$18 a harrel is clearly better than \$12 to \$15, it is a long way from the \$30 price which was previously the background for most North Sea projects.

However, recent improvement in prices may protect the industry from an even bleaker future. The Royal Bank of Scotland estimates that the recent price rise may have saved up to 10,000 oil-related jobs in Scotland, as developments which were previously uneconomic are now likely to

zie, the broker, at \$15 a barrel only one proposed North Sea an oil field development.

oil development, the big Miller field, achieves a return of more than 10 per cent, while at \$18 a direct result of the fall in four more fields — Ettrick, Arbroath, Osprey and Don — Mr Martin Lovegrove, of

pass the test. Any recovery will not happen in a hurry. So far the industry. still fragile after the events of last year, does not accept that oil prices have settled at \$18 a barrel and has no plans to rethink its budgets. Mr Julian West, of Enterprise

For the industry as a whole, last year may have been a boon, in forcing it to find cheaper ways of doing things'

price outlook has changed? The answer has to be no." Mr Chris Greentree, chief executive of Lasmo, says: "I cannot see anyone taking a de-velopment decision on the fact that the oil price has gone up

However, there are other reasons for expecting 1987 to be a better year for oil developments than 1988, during which According to Wood Macken the Department of Energy did not receive one application for

James Capel, says: "For the industry as a whole, last year may have been a boon, in forcing it to find cheaper ways of doing things."

He argues that a cut in development costs has a more immediate effect on field economics than a rise in the oil price. as the benefits are felt immediately rather than being de-layed for several years until the first oil is produced.

Both of the two large develop-ments under prospect. Shell's Kirtwaka and BP's Miller field, were returned to the drawing board as the oil price plunged and plane have been produced costing between 20 and 30 per

All the old "gold plating" of developments has gone and cost-saving technologies have been introduced, with the result that both are profitable even at present oil prices. Miller, probably the first of the two to be approved, con-tains about 300m barrels

and is likely to cost nearly filbn.
making it the largest oil
development for several years.
The studies have been done and are being scrutinised by the partners to decide which of the



pile of papers goes from the floor half way up the wall," Mr West says. Enterprise owns

An application for permission to develop is unlikely before the summer at the earliest. Shell may be ready later in the year to submit its plans for

according to Wood Mackenzie and could come on stream by

Arbroath field, which has been ready for development for the past five years, is now likely to Amoco, over the field's status. target. Even stronger candidates for

early development are tiny satellites — Shell's Osprey field and Mobil's Ness field — which together contain only 75m bar-rels and which will be rela-tively cheap to develop as they will be linked to existing platforms.

Less certain, but more exciting, is Chevron's Alba prospect, which is still being appraised. It could be one of the largest fields discovered in the North able reserves ranging up to 700m barrels.

The companies involved are keeping quiet about the discovery, but are thought to be discussing plans for bringing the field to early production.

But the first development But the first development likely to be announced this year will probably be in the gas sector, which has remained

relatively unaffected by the fall in the oil price.

Within the next few weeks plans for the Audrey gas field are likely to be submitted.

Thillies the greatest of the Phillips, the operator of the field, signed agreements with British Gas in 1983 promising first deliveries will start in 1988.

Conoco is believed to have

go ahead, following the resolu-tion in December of a dispute between the Department of Energy and the operator, ceed rapidly to meet the 1988 But even if drilling did pick

Other gas fields likely to be approved this year include the Ravenspurn North and Ame-thyst fields, although the timing of these will depend on the progress of negotiations with British Gas.

Meanwhile, the chances of a pick-up in exploration drilling,

Companies are waiting anxiously to see whether the Budget will bring any tax breaks they have been demanding

which was down by about a quarter last year, are slim. Even though drilling budgets were cash to pay for them, the recent improvement in their cash position is more likely to be spent paying back money to the banks than on exploration.

Mr Greentree says: "If com-

paines have got a bit more money, they might be prepared to drill another well. But that will not make much difference, "At the moment we are planning to drill just one

But even if drilling did pick up and if all the new developments were given the go-ahead over the next 18 months, prospects do not look sufficiently bright to take the troubled oil

industry suppliers off the danger list.

Although the approval of projects such as Miller would give it a big psychological boost, the work—most of which will not treat the property of the projects. will not reach the suppliers until next year at the earliestis only part of the load which should have already been

placed.
The industry is waiting anxiously to see whether the Budget will bring any of the tax breaks it has been demand-

ing for more than a year.

While the Government's response from the outset had been cool—some fear the latest rise in the oil price might provide the perfect excuse for doing mething. ing nothing—small concessions now seem likely.

One proposal would allow pre-development costs, includ-ing engineering studies and de-sign work, to be offset against petroleum revenue tax from ex-

No one pretends this would catapault the industry back into the sort of activity that could be expected if oil prices were \$30. But it would be better

Financial Times Conferences

Technology in the Securities Markets — The next five years

London — April 8 and 9, 1987

The Big Bang in the London Stock Exchange last year focused attention on the extent to which the securities markets depend on technology. The systems now in place are only a first step towards automation in stock dealing. In the next five years profound changes are expected and it is to review the next phase that the Financial Times is arranging a second conference on Technology in the Securities Marketa. The meeting will be chaired by Mr Patrick Mitford-Slade, chairman of the Information Services Board, The Stock Exchange, and Mr Ian Steers, vice-chairman of Wood Gundy Inc.

The speakers include Mr Richard Lawson, deputy chairman of The Securities Association; Mr Gordon Pepper, director and senior adviser of Midland Montagu; Mr George Hayter, divisional director of Information Services, The International Stock Exchange; Mr Ian McGaw, group managing director of the International Commodities Clearing Rouse Limited; and Mr Michael Baker, divisional director, Settlement Services Division of The Stock Exchange.

Cohie Television and Satellite Broadcacting. London - April 8 and 9, 1987

Cable Television and Satellite Broadcasting London - February 18 and 19, 1987

Mr Robert Marwell will be joining the distinguished panel of speakers to give his views on the new media. Mr Marcus: Bicknell, commercial director of the Societé Européenne des Satellites will speak in the Forum on developments in Europe addressing the question "Sixteen Channels and Medium Power—the Logical Way Ahead?" Mr Ivor Cohen, managing director of Mullard Limited has agreed to speak on the strategies for industry in providing DBS receiving equipment.

Two Topical Conferences: Enterprise,

Success and Jobs London - March 31 and April 29, 1987

London — March 31 and April 29, 1987

The National Economic Development Council, NEDC, has involved the Financial Times to assist in the arrangement of two major conferences designed to interest the whole of the British business community. NEDC reaches its 25th birthday this year and the conferences are intended to be a significant part of the celebrations.

"Company Success" is the title for the first-day event to be held on March 31. The Rt Hon Nigel Lawson, MP, Chancellor of the Exchequer, will open the proceedings and Mr Paul Girolami, Mr David Nickson, Mr Alan Clements and Dr Robb Wilmot are among the contributors.

The Rt Hon Lord Young of Grafiham, Secretary of State for Employment, is to open the second conference "People—The Key to Success" on April 29. Mr Bill Jardan is to take the chair and the speakers include Mr Norman Willis, Sir Peter Thompson, Mr Tom Furtado, Mr Peter Wickens and Mr Tony Gill.

The important conferences are to be held at The Queen Elizabeth II Conference Centre and details are available from the Financial Times Conference Organisation. All enquiries should be addressed to:
The Financial Times Conference Organisation

Minster House, Arthur Street London EC4R 9AX

Tel: 01-621 1355 (24-hour answering service)
Telex: 27347 FTCONF G Cables: FINCONF LONDON Fax: 01-623 8814

really stretch. Tilt back. Sit up. Relax or work in comfort. Or both. if you want it. Interesting menu and very good cuisine. Some nice wines, too.

The things you notice make you choose TWA's Ambassador Class.

noticed how I sailed through the airport for a start.

I had my boarding card and seat reservations before I got there. Dropped my bag at the special Ambassador Class desk. Got a lovely smile. And I was off to the plane.

> You notice the friendly welcome from the crew there. A real warm TWA American welcome. Then the seat Called a 'Business Lounger' You can't miss it-

the widest business class seat across the Atlantic, no less. Only six across you notice. Two by two. So there's a lot of room in the cabin. Spacious luxury. You notice how you can

> And that marvellous TWA American service. Everyone notices that. Flight Attendants who really know how to look after you. Attentive. But know how to leave you in peace

> > Drinks whenever you want them. When you arrive, you know, they give Ambassador Class luggage priority. So you don't have to wait around at the carousel.

> > > TWA flies to almost 100 US cities. And you can enjoy the quiet, relaxed comfort of TWA's superb service all the way.

There's such a lot you'll notice about TWA's Ambassador Class. All of it good. And it's the things you notice that make you like it. See your Travel Agent or call TWA on 01-636 4090.

Leading the way to the USA.

Manchester **Business School**

NEW OPEN BANKING COURSE AT MBS. SENIOR BANKERS' COURSE

For Bankers and Senior Managers in financial services

 Trends in global banking strategy - The impact of securit
 Electronic banking - Diversification of non-banks with traditional banking markets - Analysis of management problems specific to participants' own organisations.
INTERNATIONAL BANKING COURSE

For Bankers managing corporate accounts using international banking service Strategic overview of world financial markets International banking trends - Credit and risk ass Identification of customer needs . Global financing technique Contact Paye Butterworth at the International Banking

Centre on 061-273 8228 Ext 125, or fill in the coupon below International Banking Course March 16th - April 3rd International Banking Course

Senior Bankers' Course
October 12th - 30th COMPANY

POSITION ADDRESS MANCHESTER BUSINESS SCHOOL, INTERNATIONAL BANKING CENTRE, PREEPOST (NO STAMP REQUIRED), MANCHESTER MLS SDA BF12

Soviet finance deal aims to boost British exports

BY PETER MONTAGNON, WORLD TRADE EDITOR

have signed a new trade finance agreement designed to substantially boost UK exports to the Soviet Union over the next four years.

The agreement, announced yes-terday by Mr Paul Channon, Secretary of State for Trade and Indus-Export Credits Guarantee Depart- end of March. ment (ECGD) will provide financial support for UK exports of capital goods and equipment between now

ECGD yesterday declined to put a figure on the contracts expected to be financed under the agreement, but officials said the department had placed no ceiling on its support and that credit facilities offered to the Soviet Union under the arrangement were equal to or better than those on offer from Britain's major trading partners.

The Soviet Union has been negotiating with a number of British companies for major projects in

BRITAIN and the Soviet Union areas such as power, textile indus- ing banks are expected to sign credtry modernisation and chemical

Industrialists believe the new agreement could pave the way for the announcement of one or more major contracts to coincide with the planned visit by Mrs Thatcher, the try, sets out terms under which the Prime Minister to Moscow at the

> The agreement should help revive UK exports to the Soviet Union which have fallen back from a peak of £735m in 1984 to around £540m annually at present. The UK has not won a major Soviet order since Davy McKee was commissioned to construct a methanol plant there in

agreement, the Soviet Union has been negotiating credit lines with several major British banks. The first of these, for a total of £250m, was announced by Midland Bank yesterday. Barclays said it was finalising a similar deal and other lead-

Parallel to the Government

it lines shortly.

A feature of the agreement between the two governments is that it provides for the first time for the Soviet Union to raise UK-guaranteed export finance in European Currency Units Ecus instead of just sterling. This will help reduce Soviet interest costs.

Credit will be available for up to 8½ years and the ECGD will not provide subsidies for interest rates below OECD consensus rates. Where more favourable fixed rates are made available, individual arrangements will have to be made by lending banks and the exporters

Only three other European coun tries - France, Sweden and Austria - have similar framework agreements with the Soviet Union and the ECGD believes that its new deal matches the most favourable of the three, that offered by France, which still has to be renewed each year.

Alice Rawsthorn reports on the challenge posed by London's Third Market

Changed climate threatens OTC trading

his book, Inside the over-the-coun-small, speculative stocks. ter market in 1985 the future, as he saw it, was rosy. The chairman of Harvard Securities, the largest OTC Nightingale & Co, now known as dealer, painted a picture of a "tre- Granville, assembled a market of mendously exciting market which those who ignore ... do so at their

Today the future looks distinctly different. The financial climate in which the OTC market operates has changed a great deal in the last two vears and for licensed securities dealers like Harvard, few of the changes have been favourable. Many observers are now posing the question of whether there is a fu-

ture for over-the-counter dealing.

The introduction last week of the Third Market, the London Stock Exchange's new forum for trading in the shares of small companie poses the most immediate threat to its OTC counterpart.

In many ways the creation of the stop trading. third tier is a tribute to the success of over-the-counter trading. As the stock exchange freely admits, the growth of the OTC market was one of the factors behind the decision to

WHEN Mr Tom Wilmot published open its own centre for dealings in Unlisted Securities Market (USM) The OTC market traces its roots

to the early 1970s when M. J. H. large, private companies traded off the stock exchange floor.

The Granville market still exists but tends to be differentiated from the chief OTC market, which was pioneered by Harvard in the 1970s to deal in more speculative ventures and is now capitalised at

The 20 or so licensed securities dealers which conduct the OTC market have since recruited more than 200 companies and thousands of investors. But the market's development has been scarred by a series of company collapses and accusa-tions of "cold calling." At the end of last year one of the largest practitioners, Prior Harwin, was forced to

Yet the growth of over-the-counter dealing has proved to the stock exchange that demand exists among companies for a less rigorously regulated alternative to the and among shareholders for a

Thus the Third Market has been introduced to satisfy the needs of these companies and their investors in a regulated forum. Some OTC-quoted companies, including Theme Holdings, Corton Beach and Publishing Holdings, have already "defected" to the new market; oth-

ers are expected to follow suit. The OTC dealers maintain that the introduction of the new market has had, and will have, no effect on the interest of either companies or investors. But most observers suspect that the third tier will usurp the role of the OTC market.

"What company would join an un-regulated market when it could join an officially regulated forum?" asked Mr Ted Awty, partner of the accountants Peat Marwick. "And what investors would buy shares from dealers in an unofficial market when they could do so under the

Stock Exchange's protection?

Just as OTC companies have transferred to the third tier, so have some of the dealers. Croxly Securi-

OTC COMPANIES TRADING TO DECEMBER 1, 1986

enies still cucted

Acquired or Reorganised Receivership or liquidati

Rule 545 (2)

ties, Frederick's Place, Granville, Guidehouse and United Trust & Credit have all become members of the stock exchange and all intend to become involved in the new market. Other dealers, including Harvard, have also applied for membership.

If these dealers have not secured membership by September, when the Financial Services Act comes into force, their future looks dis-

The act will impose rigorous res-trictions on the ability of the firms outside the stock exchange to deal in securities. Last year the OTC

dealers, led by Harvard and Prior Harwin, attempted to overcome this problem by introducing the London Securities Exchange, which would function as an alternative forum for small companies shares and would or so they hoped, be authorised by the Securities and Investments Board as a Registered Investment

After Prior Harwin's setback and the collapse of the computer company, OTCI, which was to have provided the technology for the project, plans for the new exchange have been jettisoned. Unless the existing OTC dealers, have been accepted as stock exchange member firms by September, it is difficult to see how they could continue.

The Granville market which is engaged in infrequent institutional transactions, will continue to trade. Harvard maintains that, if its application is rejected - and it claims that there is no reason why it should be - it too will continue.

Inside the over-the-counter market by Tom Wilmot, published by Woodhead-Faulkner, £19.95.

PANKFURT. ÝUNICH MILAN ZISBON

JIRECT ACCESS

Welcome to Hypo-Land, where business is prospering and the potential is expanding rapidly. This is Southern Germany, one of Europe's fastest growing regions, its economy in the forefront of advanced technology industries and services.

Now, Hypo-Bank offers banks comprehensive one-stop facilities for all of their correspondent needs in this vital segment of the German market. Headquartered in Munich with total assets exceeding DM 113 billion, Hypo-Bank is your ideal partner for services ranging from payments and collections and L/C's to industrial sector analyses, lock box systems, and valuable contacts for new business opportunities.

Tombining the most modern technical capabili-Ities linking the resources of Southern Germany's largest branch network with local market experience built up over 150 years, Hypo-Bank is fully capable of solving your problems - however routine or complex - with speed and efficiency.

ermany's oldest joint-stock bank, Hypo-Bank Jhas a long heritage of royal client treatment and a reputation for mutually rewarding correspondent banking relationships. For complete information on how we can help you profit from the opportunities in Hypo-Land, get in touch with our office nearest you, or with us at Theatinerstrasse 11, D-8000 Munich 2, Tel. (089) 2366-1, Tx. 52865-35.

CORRESPONDENT BANKING IN THE FINEST ROYAL TRADITION



London lacking superstores compared to rest of country

BY CHRISTOPHER PARKES, CONSUMER AFFAIRS EDITOR

LONDON, the city with the most of everything in Britain - jobs, high incomes, cars and people - has too

Compared with the rest of the country, residents of the capital and the surrounding counties are distinctly underprivileged when it comes to access to giant, 25,000 sq ft supermarkets selling everything from tea bags to motor cars and cheap petrol from the pumps out-

The south-east of England comes at the bottom of the national league with 176,000 people to every super-store, compared with 91,000 in Yorkshire and Humberside. The situation is even tighter in Greater London, which scores 307,000 people per outlet.

However, things should improve over the next five years, according to a report from the Institute of Grocery Distribution.

Completion of the M25 orbital notorway and waning resistance in local authorities' planning committees suggest development will accelerate in the south-east, at least until the people-to-stores ratio reaches the 120,000-to-1 prevailing in Scotland, the north of England and the West Midlands.

the institute reports. The acre, the institute reports. The number of superstores in Britain

"Many observers question whether numbers can continue to increase at such a rate, and point to the proposed inevitability of superstore saturation," the report says.

While it is certainly true that sites are getting harder to find and more expensive to purchase and develop, there does not seem to be any let up in the acquisition of such sites by the major multiple compa-

The report adds that with site costs rising, only the biggest retailers may be prepared to invest in the

This would tend to concentrate even more grocery retailing power in the hands of the five top chains, which already account for some 50 per cent of the trade.

Further concentration in the suermarketing business seems inevitable, the report notes, forecasting a DQ. £80 for company members, further mergers and takeovers dur-

Retail chains seem undeterred by mounting land prices, even although the multiples are building more and bigger though sites can cost up to £3m an stores and steadily expanding into new products and new territories, number of superstores in Britain traditional food specialist retailers has risen from 151 in 1977 to 432 appear to be holding their own or en improving their position.

> The number of specialist bakers appears to be rising, after falling 31 per cent between 1961 and 1984. The 52 per cent decline in butchers' shops over the same period hides the fact that numbers have recently stabilised at around 21,000.

> > Fishmongers, down 66 per cent to 2,500 shops in 1984, have also been affected by the multiples' activities. and greengrocers are being increasingly pressed as the chains extend their offerings of fresh foods.

garg Comesaion as

3.T12.2.2.2 in 12

tagari.

tarti lar

era distri

7127<u>1</u>7127

3<u>1417</u>0 at 10 at

1000

Part title

Maria de Carlos

25, 12 (1 L) 1 L)

E CEE .

Part in the

hublicke:

Control of the last

漢・これと

More positively, the institute says health food shops now number 1,500 compared with 1,050 in 1980. and more adventurous consumers have provided a market base for some 4,000 specialist delicates

*Food Retailing Review 1986, Insti-tute of Grocery Distribution, Letch-more Heath, Watford, Herts WD2

The association has been urging

the Opera House to accept an alt-

emative scheme which would in-

Table wine maker buys German group

By Lisa Wood

EUROPEAN CELLARS, the table wines business jointly owned by Whitbread and Allied-Lyons, two of Britain's biggest brewers, has acquired for an undisclosed amount Hermann Kendermann GmbH Weinkellerei, producers of Black Tower, a German table wine brand which is sold internationally.

The acquisition is the first to be made by European Cellars since its formation six months ago when the two brewers merged their table wines and wholesaling businesses. European Cellars, whose brands

include Calvet Stowells of Cheisea and Don Cortez, said the acquisition was in line with the company's strategy to achieve leadership in the international light wine market.

Black Tower is the brand market leader in the German white wine sector in Canada and Australia and is in the number two position in the

Kendermann is a family-controlled business with an annual turnover of DM 80m (£28.5m). The Black Tower brand has been developed over the last 10 years.

Royal Opera House puts plan for offices

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

THE board of the Royal Opera House in London's Covent Garden will tonight seek planning permis-The Opera House, home of both

the Royal Opera and the Royal Bal-let, wants to embark on a £56m improvement of facilities, with the main work done between 1991 and 1993. If it can sell three adjacent sites for office development, it could realise £33m of the total cost. The professional planners at the

Westminster City Council are rec-ommending to tonight's meeting of the planning committee, made up of elected councillors, that the scheme should go ahead in the face of strong opposition from local groups led by the Covent Garden Community Association. If the city council approves the scheme - which means accepting a

change of function from arts use to office use on the three sites the Royal Opera House wishes to sell— then it will probably provoke legal action from the Covent Garden Community Association.

sion for an office development volve spare land being used for an which would partially fund the reinternational cultural centre inhabilitation of the Opera House itstead of offices. Such a scheme, devised by Mr George White, is not thought to be financially viable by the Opera House.

The three sites in question were given to the Royal Opera House in 1974. If they are sold, the association argues, the opportunity will be lost for there later to be a second auditorium at the Opera House.

Once planning permission has been received, the Royal Opera House would call for bids from developers for the purchase of the sites and the office develop upon them. It has calculated that the office developments would cost about £98m.

Receipts of £33m for the land would leave the Opera House with £23m to find from benefactors for the balance of the cost of improving the facilities for the opera and ballet companies. Its target is to identify the sources of the money by Sep-tember 1988, but a spokesman said, no work would start until its financing had been secured.

Grande Fiera d'Aprile at Milan Fair 4-12 April 1987



For information Operative Secretariat: 1040 Bruxelles (Belgium) - Rue Stevin, 114 Tel. 00322 - 2305074 20145 Milan (Italy), Via Tiziano, 5 Tel. (02) 4984430



"Project Europe" at the Milan Fair

Esprit, Race, Brite, Biotechnology, Channel Tunnel, Airbus, Giotto.

Some of these names are already familiar. Many others mean absolutely nothing to the general public. Nevertheless, there is a common link - they are all the result of European technological and scientific co-operation. Whether they be bi-lateral, multi-lateral, or Community projects, they nevertheless represent a positive attempt to co-ordinate co-operation in the field of research and industrial development without which our continent would be unable to respond to the approaching technological challenges of tomorrow.

Salon Europe wishes to increase public awareness of the European dimension of both large and small companies from Italy and abroad, who believe that technological and scientific co-operation is the way not simply to achieve random growth in production, but more importantly affords the possibility of combining economic development with an improvement in the quality of life.

Alongside the reality of this dynamic productive activity, Salon Europe wishes to highlight the most modern and innovative aspects of the European institutions which have promoted and co-financed many of the above mentioned projects.

Japanese

bank signs

£2m City

tenancy

By Paul Cheeseright, Property Correspondent

has not yet been constructed.

THE BIGGEST property develop-

ment ever directly undertaken by a

Bridge on the edge of the financial

is being pulled down to make way

for a new seven storey block, with

Pressure on space in the City of

London has led increasingly to of-

fices being let before they exist. At

ing interest of Japanese institution

Nomura Securities, for example,

has bought a property in the west of the City being developed by Glen-gate and Kumagai Gumi, again be-fore it has been completed.

The rent Dai-Ichi Kangyo will pay Lazard Property Unit Trust

works out at over £37 a square foot

the top end of the range for properties in the London Bridge area. The

figure was worked out during the

six months of negotiations between

the trust and De Groot Collis, the

agents acting for Dai-Ichi Kangyo. The property has never been on the

open market. Lazard Property Unit Trust has a portfolio worth £174m, it is an in-

vestment vehicle for tax-exempt in-

vestors such as pension funds.

Property unit trusts mainly finance the developments of other compa-nies, but Lazard has branched out

into direct investment on its ac-

by London Bridge since the early

mer of next year.

in the City.

Land Rover output dips to lowest for 30 years

BY JOHN GRIFFITHS

LAND ROVER production fell by one-third last year to the lowest level since the late 1950s. The fall, from 31,000 to 21,000

units, compares with peak Land Rover production of 58,523 achieved It is also in sharp contrast to the

record demand at present for the company's luxury four-wheel-drive (4wd) vehicle, the Range Rover, which is to be launched in the US next month. Range Rover production reached

14,494 last year, compared with 13,314 for the previous peak, reached in 1985.

17. 6. 32 TATAS.

The District

The state of the s

20 15.15 22

terweet (w) S

1.71.00.42

of the same yes

 $123.7\pm22967\,\mathrm{Mpg}$

40.470.004.255

のには強い。

· Caralina

CONDIDATE DE SER

では、対象を表

1244 322 3

ant a zezi

The second secon

הפכאספפה

- 100 11 227

- 1.1.4 BURE

- 3-2 3-2728

The Land Rover company, part of the UK state-owned Rover Group, was the subject of takeover discussions - along with Leyland Trucks -between the Government and Gen-

eral Motors early last year. But GM, which envisaged fitting Land Rover into a worldwide 4wd production and marketing network, was forced to withdraw in the face of a strident "keep Land Rover Brit-

Despite the output slump, Land Rover officials are adamant that it does not indicate that one of the UK's most famous vehicles, first launched 40 years ago but much developed since then, might at last be falling victim to a flood of rival new products from Japan.

The possibility of such a development has been aired with greater frequency, not because the Land Rover itself might be uncompetitive with newer rivals, but because the many more types and sizes of light-four-wheel drive vehicles. In doing so it is fragmenting Land Rover's Landcruiser totalling around profit of 63m in the year just ended. 41,000 in the first nine months of The full year figures are expected last year, compared with 105,000 in to show an operating profit of about all of 1985; shipments of 7,400 Nis-

LAND ROVER GROUP OUTPUT Land Rover Range Rover

1982 83 84 85 86

traditional market. Land Rover claims that the decline is largely a result of the continuing debts problems of impor-tant markets in the Third World. This was made worse last year by plunging oil prices which undermined business in valued Opec states. It is a problem being shared equally by the Japanese 4wd pro-ducers, Land Rover executives in-

contention.

They indicate that Japanese shipments of utility 4wd vehicles to Strict comparisons with 1985 can-Africa, the Middle East and main not be made, as Freight Rover, the Far Eastern markets were down by vans subsidiary, was removed from just under 40 per cent lest year Land Rover in the middle of last compared with 1985.

While no figures are available for

san Patrols (14,000) and 9,600 Mitsubishi Pejeiros (19,000).

Land Rover has still fared worse than most of its Japanese rivals, however. It exported 10,000 vehicles to these markets in full-year 1986, compared with 20,000 a year earlier. But it has held its unit sales in the UK and on the European continent at around 10,500 units.

The Range Rover had both record sales and production last year. The UK remained the best single market with sales of 4,226 vehicles up 25 per cent on 1985. Sales to Continental Europe reached a record 7,789 units, up 46 per cent. A turbo-diesel model launched only last spring accounted for one third of the sales. Land Rover hopes to achieve

3,000 Range Rover sales a year in the US, where 900 dealers applied for the franchise, although only 36 have been appointed as an initial network, with a further 30 to be added by the end of this year.

Despite the drop in Land Rover demand, the higher sales and per-unit value of the Range Rover is ex-Unofficial figures circulating in pected to have left the company's the industry support Land Rover's revenue from the two vehicles' sales unchanged at around £400m iast vear.

Land Rover and Freight Rover the last quarter of 1986, the indus-combined made an operating profit try figures show shipments of Toyo-of £10m in 1985, and a first-half

Air fares war starts bank audit on Amsterdam route

By David Lascokes. Banking Correspondent

watchdogs

Call for

THE BANK of England is to encourage UK banks to set up sudit com-mittees - special watchdogs to mon-itor management's performance and controls.

In a consultative paper circulated yesterday the Bank says that audit committees can ensure that banks are more effectively and responsibly run. The Bank wants all banks above a certain size - which has yet to be decided - to have audit com-

These committees would be appointed by the bank's boards and rectors. Their terms of reference would be to:

Examine management controls. Review statutory accounts. Monitor the bank's relation with its external auditors.

 Review compliance arrange Consider whether an internal audit department is needed.

The Bank's paper reflects its long-held view that non-executive directors have a useful role to play in the management of publicly-owned companies because they bring outsiders on to company

Although there is no legislation requiring UK companies to have audit committees, various Bills and government papers have spoken of the need for non-executive directors. In the US, an audit committee is a condition of listing on the New

York Stock Exchange. The Bank is also expected shortly to propose a code of practice under which UK company boards should comprise at least one third non-executive directors.

BY LAURA RAUN IN AMSTERDAM

A new round of price cuts has bro- don's Heathrow airport. ken out in the air fare war between Amsterdam and London.

KLM Royal Dutch strlines and British Caledonian have both retorted to a 21 per cent cut in an air fare offered by Transavia, an ar-line owned by the Dutch shipping group NedLloyd which last year launched a service to London with deep discount

Last week Transavia announced it would offer a round trip tourist fare without conditions of F1 496 (£160) between Amsterdam and London (Gatwick) beginning on February 15, down from F1 626. It also plans to add a fourth flight per

Now British Caledonian also ticket for the same price, while KLM, the Dutch flag carrier, will offer two tickets for the price of one Fl 499 ticket. The new discounts apply only to service between Amsterdam and Gatwick and not to Lon-

The latest round in the air-fare war follows a similar one last October when Transavia, formerly charter airline, began scheduled service to London by slashing fares 50 per cent to FI 313 roundtrip. KLM followed suit on its Amsterdam-Gatwick route but all the discounts ended on December 31 1986.

In the three years since the Netherlands and the UK signed a bilateral "open skies" treaty, the number of airlines has soared and competition has stiffened considerably. A total of seven airlines now fly between Amsterdam and London and sereval more are waiting in

the wings.
British Airways has ignored the Heathrow and no one is trimming those fares. British Midland is sticking with its successful formu of undercutting business-class competitors with fares that are 15 per cent to 30 per cent cheaper.

Westland presses for helicopters decision

BY DAVID BUCHAN

se securities having been sold, this announcement appears as a matter of record only.

30,000 Units

Publicker Industries Inc.

\$30,000,000

13% Subordinated Notes

due December 15, 1996

(Interest payable June 15 and December 15)

with

3,600,000

Common Stock Purchase Warrants

Drexel Burnham Lambert

THE Ministry of Defence said vesterday it would make a decision in the next few weeks on future orders for troop-carrying support helicop-ters, it gave no indication of which way that decision would go.

The MoD is facing pressure from years Westland, the helicopter manufacturer, to place early orders to tide sion. the company, based at Yeovil in the west of England, over a barren two years in its order book, from 1988 to 1990, before it starts production of Hawk, and the Lynx - all of which the Anglo-Italian EH 101 helicopter. are, or will be, made by Westland.

At issue is the replacement of the Wessex and Puma light support hel icopters, which have been in service since the mid-1950s and mid-1960s respectively. Westland wants this ble, but the MoD has taken severa years to consider its requirements and is only now coming to a conclu

Sealink may sell harbour to leisure group

By Our Industrial Staff

SEALINK UK, the ferry and ports esterday that it was considering an offer for its Folkestone Harbour operation from Brent Walker, the

Mr James Sherwood, president of Sea Containers, is expected to mee Brent Walker, this week to complete negotiations.

lirent Walker is believed to have offered more than £11m for Folkes tone. It was not clear, however whether this included the two fer ries operated by Sealink to Bou-

Neither company would comment on suggestions that the harbour would be redeveloped as a marina or that the two ships could be refur bished to operate as floating super stores for shoppers.

Sealink is known to have made substantial losses on its Folkestone operation since the company was sold to Sea Containers for £66m in

Analysts said the disposal of Folkestone would be a sensible move for Sealink, particularly in view of the impact of the proposed Channel Tunnel Trade unions, which have iust voted to accept a report on the future of the port drawn up by a joint working party.

Construction begins on **Docklands office towers**

BY JOAN GRAY, CONSTRUCTION CORRESPONDENT

last begin on the infrastructure for the £3bn Canary Wharf scheme in London's Docklands, the 12.4m sq ft project which its developers claim to be the largest single office development yet planned.
The project – which is intended to

British property unit trust has been let to Japan's biggest bank. But the give London the highest office towoffice block in the City of London ers between New York and Tokyo -was delayed while the Canary Lazard Property Unit Trust an-Wharf Development Company waitnounced that it would be charging ed for the final planning and legis-Dai-Ichi Kangyo Bank more than lative hurdle to be cleared. C2m a year for the tenancy of an of-fice building just north of London

The developers - a consortium of banks including Credit Suisse First Boston, Morgan Stanley Internacore of the City.

An existing building, once occupied by the Moscow Narodny Bank, tional and First Boston International with the Travelstead property group - could not go ahead with their scheme until the royal assent had been given to the bill permitting an extension of the Docklands 57,000 square feet of office space. It is due for completion by the sum-Light Railway into the heart of the City of London.

When this was finally granted at the end of December, the developers at last knew that the project the same time, the letting to Dai-had a chance of success. It would be Ichi Kangyo underlines the grow-possible to travel in 10 minutes to

THE TRUSTEE Savings Bank

(TSB) has suspended or dismissed 20 of its employees for breaking rules set for the flotation of the

The action comes at a time when

the Fraud Squad is also investigat-

ing 40 to 50 suspected cases of multiple applications by outside inves-

tors for shares in the £1.5bn group.

last night precisely what actions

were being alleged against the em-

ployees. However, he said they in-volved breaches of the TSB's house

rules or contraventions of the regu-

lations contained in the TSB's Offer

For Sale document. Some of the

1970s. Once the new building has employees involved are believed to

A TSB spokesman would not say

group last September.

CONSTRUCTION WORK can at the Bank of England from their and rubble that covered the site planned offices, shops, wine bars They have also stripped out a dozen and dealing rooms on the Isle of Dogs, two miles east of the City.

Other hurdles remain, such as the question of road access. The dif- heart of the development's plaza, a ficulty for Canary Wharf Development is that apart from the sponsors, no big financial institution has so far been prepared to take the large amount of space needed to make the project financially secure. Negotiations with prospective tenants continue.

Despite these factors, Canary Wharf Contractors - a joint venture set up by Taylor Woodrow, Costain, Laing, John Mowlem and Sir Robert McAlpine, with Bechtel as overall construction manager have been at work preparing the 71acre site by the Thames since last.

They are now gearing up for a project which they hope will offer them as much work as building the Channel Tunnel and provide 7,000 construction jobs.

They have finished clearing the

TSB accuses staff of breaking

on financial conduct by the bank's

30,000 employees, and breaches can be punished by dismissal. Last year's sale document contained a

prominent warning that people making multiple applications for shares would be liable to criminal

Special arrangements were made

during the sale to ensure that TSB

employees had priority in the allo-

cation of shares, which attracted a

record number of 5m applications. Each TSB employee was entitled to 150 free shares, and could apply for

up to 10,000 more at the offer price

In addition, employees were al-

lowed to send in one public applica-

using priority application forms.

rules on share flotation

BY DAVID LASCELLER, BANKING CORRESPONDENT

Brussels starts inquiry on nitrates

By Max Wilkinson

dockside cranes, one of which is to

be cleaned and restored to await its

reincarnation as a sculpture in the

public space larger than Trafalgar

Now that the site is prepared, test

piling is under way. The piling for

the access roads, the area around

the Docklands Light Railway and for the raised platforms for the

buildings and open spaces will be-

Although this infrastuctural work

is under way, it has yet to be de

cided which will be the first build-

ing on the site. Plans for the first

buildings, and the identity of their

architects, are expected to be an-nounced soon. The master building

agreement, which will set out the fi-

nal terms of the development and

contracting arrangements, should

Mr G. Ware Travelstead, a US de-

veloper who wants to have a spec-

The shares were priced at 50p,

but when trading started they rose

almost instantly to more than 100p.

enabling initial investors to double

The TSB said that its inquiries

were continuing, and the Fraud Squad had questioned some of the

employees involved. The question

of what, if any, disciplinary action

should be taken in the case of em-

ployees who have been suspended is still being considered.

The revelation by the TSB that

their money if they sold quickly.

Canary Wharf is the brainchild of

be signed in the next few weeks.

Square.

gin next month.

THE EUROPEAN Commission has opened a formal procedure against the British Government to investigate complaints that nitrate in UK drinking water exceeds the permitted limit

Mr Ludvig Kraemer, official in the commission's directorate for the environment, consumer protection and nuclear safety, said yesterday that the proceedings were at a preli-

minary stage.
Officials would have to investigate whether there was substance behind the complaints before a decision was taken on whether to take

further action.

The complaints, from Friends of the Earth, the environmental body and others, related to a recent EEC directive that nitrate in drinking water should be less than 50 milli-

grams per litre. Friends of the Earth claims that the UK Government is not measuring the amount of nitrate in drinking water accurately, and that even according to Government figures the nitrate limit is exceeded in drinking water for nearly 1m pao-

However, a spokesman for the UK Department of Environment said nitrate in water supplied by all public water companies was below the 50 milligram limit. All drinking water in the UK contained less than the 100 milligrams per litre which public health officials considered a safe limit

Some smaller water suppli such as country wells, contained more nitrate than the lower limit set by the EEC, but special exemp-tions from the directive had been granted in these cases.

Excessive nitrate levels in water are said to be linked to cancer of the stomach, but the spokesman said nitrate in UK drinking water was well below levels which could In a letter to Friends of the Earth,

40-50 cases of suspected multiple applications by members of the Mr Kraemer said the commission has received other complaints on public are now being investigated the subject and "decided to start enlarges on a statement last week formal procedure under Article 189 against the United Kingdom."



Swiss Bank Corporation for institutional investors.

When you're looking at new markets, look up an old friend. International portfolios are now in.

Everybody's talking about sophisticated new techniques, new markets, new challenges. But when you've been in the business as long as we have, that's actually nothing new. A really meaningful innovation might be

to draw up your own list of what you're looking for in the institutions that handle your accounts.

Define your objectives and your questions. Then, let's talk it over. That's how the new ideas start to take

shape. We know from experience.



Swiss Bank Corporation Schweizerischer Bankverein Société de Banque Suisse

The key Swiss bank

General Management in CH-4002 Basie, Aeschenplatz 6, and in CH-8022 Zurich, Paradeplatz 6. Over 200 offices throughout Switzerland. Worldwide network (branches, subsidiaries and representatives): Europe: Edinburgh, Frankfurt, London, Luxembourg, Madrid, Manchester, Monte Carlo, Paris. North America: Atlanta, Calgary, Chicago, Dallas, Houston, Los Angeles, Montreal, New York, San Francisco, Toronto, Vancouver. Latin America: Bogotá, Buenos Aires, Caracas, Lima, Mexico, Panama, Rio de Janeiro, São Palos. Granda Grand Cayman, Nassau. Middle East; Bahrain, Cairo, Tehran. Africa: Johannesburg. Asia: Hong Kong, Osaka, Singapore, Panama, Rio de Janeiro, São Palos. Tokyo. Australia: Melbourne, Sydney.

Lintas Zürich SBV 1686 A/1

Apple takes a bite at office versatility

and the first with the second second

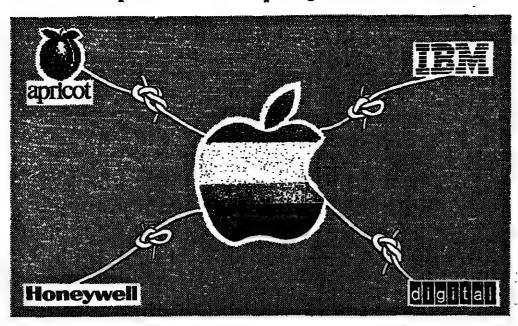
Louise Kehoe in San Francisco reports as the all-conquering Macintosh moves into a wider business arena

FOR APPLE Computer, the road to success in the business personal computer market has been long and bumpy. More than once the company has fallen flat on its face with products that failed to make the grade. But with US retail sales of the Apple Macintosh now outpacing those of any other personal com-puter, it seems that the company may have finally turned the corner.

The pace quickened last week when Apple unveiled a bundle of "desk-top communications" products designed to link Macintosh and other personal computers on office networks. Significantly this includes IBM's computers. announcement signals the begin-ning of a new determined effort by Apple to boost its sales to

This time Apple starts its run at the business market with some momentum behind it. Over the past year, Macintosh sales have doubled, largely on the starts of its market with the sales have doubled, largely on the sales have doubled, largely on the sales have the sales with t the strength of its role as part of a "desk top publishing" system. Teamed with Apple's laserwriter printer and the "Pagemaker" program pub-"Pagemaker" program pub-lished by Aldus, a California software company, the Macin-tosh computer becomes a desk typesetting system that enables an amateur to produce professional looking brochures, A year ago when we started

"A year ago when we started talking about desk top publishing, most people thought it would be, at best, a very small niche market," remarks John Sculley, Apple chairman and chief executive. "Now it has exploded." According to dustry researchers, Apple sold 50,000 Macintosh publishing systems last year and holds a



its new communications products, Apple is attempting to provide a solution to the problem that virtually every personal computer manufac-turer and user is battling with —how best to connect dozens of personal computers, mini-computers and mainframes on

Apple's solution is to create facintosh "workgroup" networks that can be bridged to

strong lead in the new market larger, higher performance netsector, although competition is mounting.

Now Apple aims to repeat its successful "solution selling" ease-of-use. "If you know how Now Apple aims to repeat its successful "solution selling" strategy in other business application areas—first "desk top communications" and them between the communications and them between the communications are selling and them between the communications are selling as the control of its products, Apple stresses ease-of-use. "If you know how to use a Macintosh, you know how to us top communications.

Now the company has added some important pieces to its networking solution. "Apple-share" is a \$799 file-server program that controls a network of up to 25 personal computers—performing the data sharing chores, controlling access, and constantly updating information for every user, Appleshare runs on a dedicated Macintosh computer with a hard

Superchip shows South Korea's ability to innovate

Executives of the South

Korean company believe the market for fast 256 K SRAM

chips is likely to grow to as much as \$420m by the end of this decade. They are siming at a market share of \$87m over

the next two years for their product, which will be commer-cially available in the second

half of this year.

Computer engineers are of in the military market, Fast the opinion that the faster chips are priced in the \$70 to

A SOUTH KOREAN semi- made by Toshiba and Hitachi 256 K measures only 46.55 access time will give SRAM conductor manufacturer has of Japan. The chip will have manufacturer has of Japan. The chip will have manufacturer has of Japan.

disc drive that becomes, in effect, the network controller. Along with Appleshare, Apple last week unveiled its long promised solution to the prob-lem of how to share information between Apple and IBM personal computers. The company is offering a plug-in circuit board for IBM personal com-puters that lets the PCs access Apple's laserwriter printer and share information on the Apple search Apple is also going to give Macintosh owners a free program that translates IBM word processing files into Macintosh files.

Compared to most computer networks, Apple's is unsophisbroad capacity or speed of for

(dynamic random access memory) semiconductors. The

static variety stores its data

within the chip, without needing to be reprogrammed continuously. Fast SRAMs are particularly suitable for

weapoury and telecommunica-

Appleshare is useful, relatively inexpensive, and, perhaps most importantly, easy to use.
"Apple is taking absolutely the right approach," says Dave Carnivale, an industry analyst with Infocorp.

Next on the agenda for Apple's business marketing plan will be a new version of the Macintosh. In March Apple is expected to unveil the "Open Mac," a souped up ver-sion of the Macintosh.

Built around a Motorola 32bit microprocessor, the new Macintosh will outperform IBM's anticipated 32-bit personal computer, Apple claims. Unlike current versions of the Unlike current versions of the Macintosh, the "Open Mac" will literally open up to allow users to add non-standard functions such as enhanced graphics, more memory and significantly the ability to run IBM-PC programs.

And with a more powerful version of Macintosh in place, Apple is expected to begin its efforts to crack the engineering market with a "desk top engi-neering" marketing campaign. Engineering applications would call for a large colour display, which Apple is said to have in

After two years, the Apple Macintosh is finally being taken seriously as a business personal computer, but Apple still faces an uphill struggle. According to the latest market research to the latest market research estimates, Apple holds just a 7 per cent share of the US corporate personal computer market, compared to IBM's 33 per cent share. The rest is taken up by "ciones" of IBM's PCs.

\$100 range.

Mitsubishi and Fujitsu of
Japan are believed to be sampling (testing production prototypes) 256K SRAMs with access times in the 55-70 nano-second range.

Immos of the UK, like other SRAM manufacturers, has a 64K, 40 nanosecond access time part; it is confidently pretions equipment.

Goldstar expects especially dicting that it will release a small strong growth for its product 256K, 25 nanosecond access within a few

Preserving a way to keep historians in the picture

the publication of Animal Loco-motion, a book of photographs in which an Englishman— Eadweard Muybridge—estab-lished a claim as one of the progenitors of cinematography. His famous photographic sequence of a galloping horse laid the foundations for true cinematography, refined as a projection process by the French Lumière brothers and

shown publicly in 1895. One of the largest historical film collections in the world, Britain's National Film Archive, retains two original 1895 films by Lumière—along with 87,000 other titles, and more con-temporaneously some 15.000 television programmes.

With almost a century of social activity recorded, motion pictures are thus becoming important historical documents. In the UK alone, organisations such as the British Universities Film and Video Council and the Inter University History Film Consortium have helped Film Consortium have helped to focus attention on the value of these astonishing resources

of information.

The BUFVC's book
Researcher's Guide to Film and
Television Collections, for Television Collections, for example, lists and details film collections as varied and specialised as the East Anglian specialised as the mast Anglan Film Archive (agricultural and local life) and the Tramway Museum collection in Matlock (earliest film 1896). It also includes private collections like that of Alan Pateman, which takes in rare footage from many countries including pre-war Egypt and China in the 1920s. The problems associated with

the preservation and historical analysis of photographs and films—even videotapes—are nonetheless of much concern for historians. Nitrate film, on which the early movies were shot, is liable to disintegrate in only 50 years; still photographs on paper may have an equally limited life span if the original fixing and washing, after developing, was inadequate; and even videotapes are prone to deterioration—as much due to physical mishandling as organic decay.

The film archives of the world are guardians of a unique in heritage in their countries, and over 60 belong to the International Federation of Film in Archives. Yet some, such as the mat National Film Archive in San

THIS YEAR is the centenary of Britain, have a race against time to transfer decaying nitrate films on to more stable cellulose acetate stocks. The NFA still has 140,000 reels of nitrate stored in special vaults (it is highly infiammable material), with hopes—money permitting
—of completing the transference job by the year 2000 when reels from the 1950s could become unusable.

Additional problems include colour fading. Most of the dyes used in colour films are liable to be unstable—as witness some older colour movies now screened on television, in which flesh tones often look yellow, beige or sickly white.

Kodak has been in the fore-front of research and education



by John Chittock

colour stocks are less susceptible to fading. But some idea of the complexities in storage and preservation can be eleaned by the titles of some of the reference books published by Kodak—The Book of Film Care (motion pictures) covers all manner of unexpected problems such as shrinkage (which alters the pitch of the sprocket holes); Conservation of Photographs is a handbook for collectors; and a handbook for collectors; and Care and Identification of 19th Century Photographic Prints offers all manner of guidance, not least in recognising whether a print is a Daguerrotype, Ambrotype or Collotype (the difference is worth a great deal

in the auction room).

Less recognised as a problem. Less recognised as a problem, however, is the identification of genuine events in film footage alongside re-enacted events. Film-makers have not always been scrupulous in their presentation of "reality." In 1901, J. Williamson filmed the Boxer rising—but in his own garden in England. The French film-maker Georges Walles filmed maker Georges Melles filmed the Coronation of Edward VII

in 1902, very impressively, but in fact in Paris with actors. Reconstructions assume greater seriousness when mixed in with genuine factual material, as happened in the famous US magazine series,

IDA-LEADING

The March of Time. Although. as in this case, such reconstrucintention of deceiving, they pose a problem for future historians who may not be able to sort out fact from fiction. One March of Time episode about the re-election campaign of New York's Mayor, La Guardia, re-enacted scenes with La Guardia and Thomas Dewey playing themselves.

The archivists are sufficiently wornied about such practices, increasingly common in television cocumentaries, to be vision cocumentaries, to be considering that material sup-plied by them and known not to be genuine should carry a small coded symbol, visible to viewers.

to film of interest to historians. not least in analysing material to uncover new information about people or events by scrutinising film records—even frame-by-frame. One classic example of this is remarkable footage of Hitter and Goebells. st a rally in Berlin in 1933. The speeches of both exist as an almost straight, sound-film record of the event—virtually free of the usual cuts and inter-pretative controls of the film

Dr K. F. Relmers at Gottingen Film Institute has studied this exhaustively with colleagues—including a psychologist—to discover new insights about Hitler, Goebells and the rise of the Nazis. It makes fascinating viewing, showing for example Hitler's mannerisms and the reactions of his supporters without the creative diversions seen in so many war diversions seen in so many war

A new area of film as history is emerging which economists and industrialists should find fascinating if not invaluable. The National Film Archive in Britain has started to acquire the earlier film collections of commercial organisations such as Dunlop and Midland Bank. These can reveal not only pro-fessed policies, but also the unconscious truths which every film enshrines.

If City analysts can reckon to assess a company's future from its balance sheets, why not also bring the corporate psyche of the past into the equation—based on a detailed scrutiny of the films the company sponsored?

Out wit

Pulers

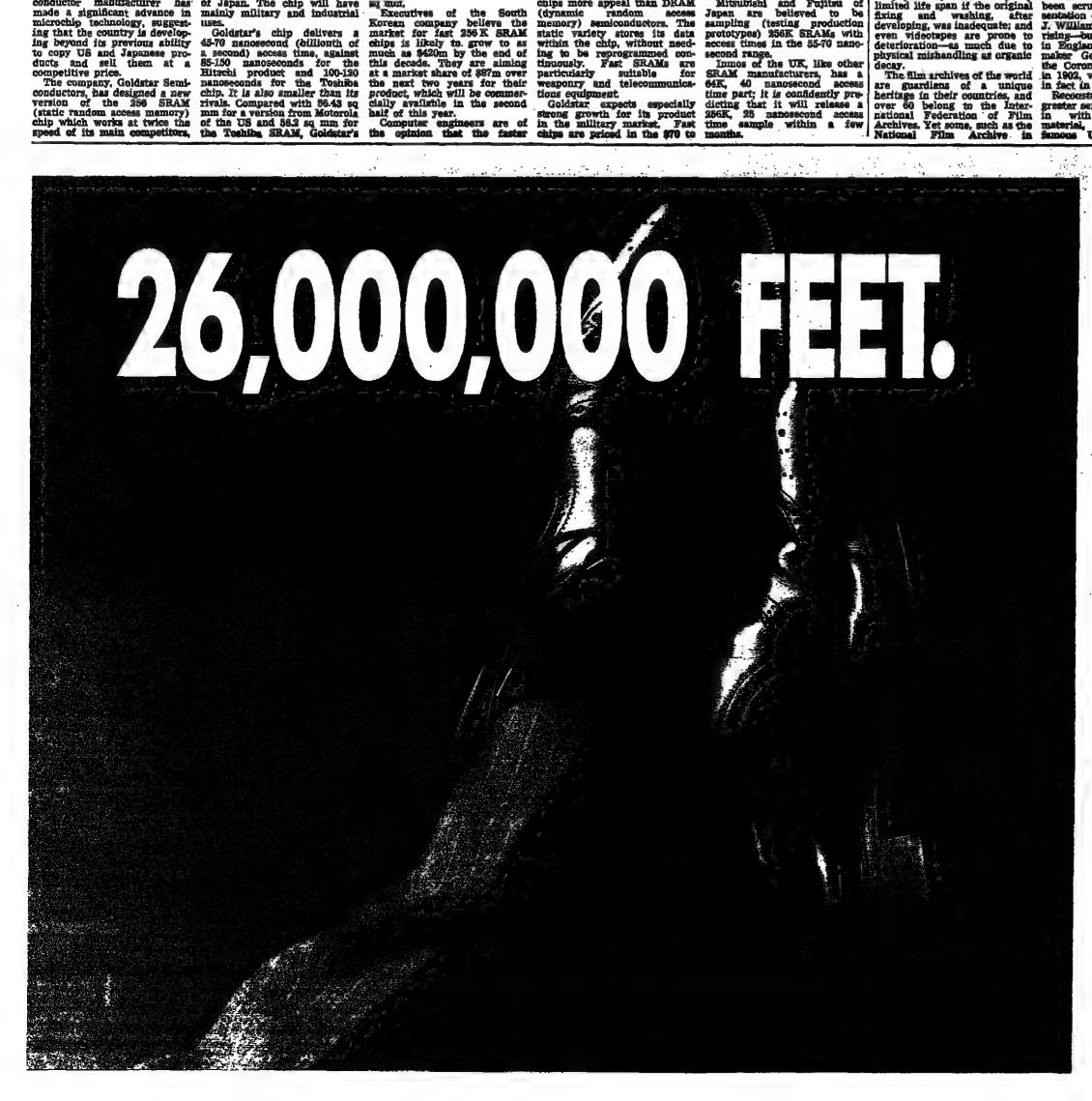
thewo:

est cost

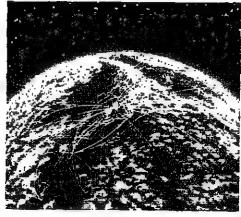
130, an

CALS 0.1.5

047



9,200,000



lberia has made fast triends of business travellers all over the globe. Each year, in fact, we fly more than 13 million people, travelling a total of more than 9,200,000 miles. To 81 different cities throughout the world.

We know that to many a weary business flyer, the hours they spend with us on-board are frequently the only restful hours they will spend that day. Which is why Iberia's "Business Class" welcomes travellers with that special touch that turns a routine business trip into a pleasurable

A select bottle of fine wine from Iberia's reknown wine cellar-in-the-sky. A kind gesture, like offering a soft pillow and cozy blanket. Our new catering service that is always accompanied by a warm smile and gracious style. These are the elements that create that very special atmosphere on-board an Iberia flight. Turning lberia's Business Class into a world class flying experience

The next time you fly, ask your Travel Agent about lberia. You could not make a more sound business decision.



THE HUMAN ONE.

F. Recent in instruction of the carbon services of the carbon servic

es of firmule

init state

started to a firm collected to and Middled to

roveal not see cles, but its truths whose tes. unalysis can a company in clance them:

15993 GB 8 🕾

ONCE AGAIN, STRATUS CATCHES THE COMPETITION WITH THEIR COMPUTERS DOWN.



It never fails. Every few years Stratus comes out with a new generation of fault-tolerant computers whose price/performance and reliability are a source of astonishment to our market and a source of embarrassment to our competitors.

This year is no exception. Because with the introduction of our XA2000 family, Stratus now offers the best performing, most powerful fault-tolerant computer systems in the world. Systems powerful enough to handle the largest on-line transaction processing applications with the lowest cost per transaction.

Our XA2000 family includes four totally compatible, instantly upgradeable computer systems; the Models 110, 120, 130, and 140. Each more powerful than the one before it. That means there's an XA2000 system that's the right size for you now, and one that'll be the right size

for you later.

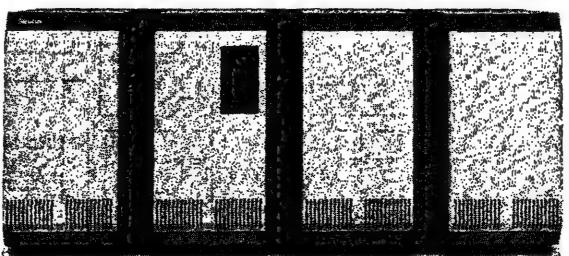
Stratus computers already offer the world's most reliable architecture—hardware-based fault tolerance. And now we've enhanced the performance of that architecture with more computing power than ever before available.

Our new Model 140, for example, can execute over 50 transactions per second. That's more than three times the processing power of a Stratus XA600—which up till now was the most powerful hardware-based fault-tolerant system you could buy. And if you did buy one, don't worry: all Stratus computer systems,

old and new, are completely compatible.

Stratus XA2000 performance becomes even more impressive when you begin adding systems. In fact, you can interconnect thousands of Stratus computers into local and wide area

INTRODUCING THE STRATUS XA2000 FAMILY.



THE WORLD'S
MOST RELIABLE COMPUTER
JUST GOT THREE TIMES
MORE POWERFUL.

networks for virtually unlimited performance. That means more transactions per second, and the lowest cost per transaction in the industry.

Upgrading couldn't be easier. Or faster.
Because all you do is add boards. You can even do it while the system is running.

And the unique, "open-ended" architecture

of our new XA2000 gives you the flexibility to begin building your foundation now for the more sophisticated applications you'll be running years from now.

So you can confidently build the system you need today because you'll always have the freedom to expand it tomorrow.

By now, almost everyone knows about Stratus. But for those of you who don't, here's what a recent independent survey of some of our customers revealed: Stratus had the highest level of customer loyalty of any major computer vendor.

How high? 100% of those surveyed would not even consider changing computer companies.

Our new XA2000 family is years ahead of its time in speed, upgradeability, reliability, and above all, price/

performance. So contact Linda Taylor in London at 01-248-8383 for complete information.

Because you may not see another computer like this until the 21st century.

STITUS

CONTINUOUS PROCESSING®

Stratus Computer Ltd., 30 Cannon Street, London EC4 M6XH

Ethnic businesses in the UK

Where trading history helps

Charles Batchelor on efforts to boost Asian and Afro- Caribbean entrepreneurialism

GLORIA BLACKBURN had Many of them built up substan-f1,700 in her account when her tial business experience in East bank manager of five years Africa before coming to Britain. Since it lacks this trading the are no different from the Government, the local authoriturned down her request for needed for her newly-formed wine importing business in Croydon. "My account would great efforts to improve its have been balanced within a position. matter of days," says Blackburn. "Being black does not help you in anything you do. I faced a continuous obstacle course in raising finance."

Paul Sood took a sizeable severance payment with him when he was made redundant from his engineering tob with GEC, the UK electronics group, but still ran into trouble in raising additional finance for the insurance broking business he decided to set up.

"The banks wanted this security and that and couldn't make a quick decision," says Leicester-based Sood. 'The banks have not learned that they must change their policy— not to treat Asians and the other minorities more favourably than whites but to treat them just the same."

Finance almost certainly heads the list of challengers

facing any small business. For Britain's ethnic minorities the problem is magnified by what they believe, rightly or wrongly, to be discrimination by the banking community.

"There is a stereotype of black people," says Beverley Bernard, co-ordinator of the minorities programme run by Business in the Community, the umbrella organisation Britain's enterprise agencies.

"They are seen as work shy, not entrepreneurial. A few years ago they were turned down because they did not have a business plan. Now they go in with a plan but are told the product is wrong or the area is

The bank managers' response —according to a survey of ethnic small businesses in the London Borough of Brent—was that Afro-Carlbbean business-men lacked management skills ethnic market. But even though attitude towards Asians, many businessmen from this community also have their tales of

There are nevertheless clear signs that—despite their diffi-culties—Asians appear to be

urned down her request for Since it lacks this trading letter of credit for £2,000 background, the Afro-Caribbean eeded for her newly-formed community still has a long way rine importing business in to go, though it too is making

against a background of an un-employment rate of 20 per cent among all minorities, double the rate for whites. And even the high level of Asian self-employment was questioned in a 1982 study which concluded that much Asian business — particularly retailing — represented a waste of capital, talent and energy in an unrewarding sector

The banks have not yet learned that they must change their policy—not to treat Asians and other minorities more favourably than whites but to treat them just the same

others are now beginning to emerge as successful small businesses start to expand and as the markets in which they are operating mature. Presentation: People with

good ideas are not necessarily articulate or patient which can lead to difficulties when dealing with bank managers and the aid agencies, says Bunny Barnett, founder of the Paul Bogle Foundation, which advises and trains potential businessmen from the black community, and was named after a 19th century Jamaican leader who led a bloodless revolution against the authorities,

Even qualified and experienced businessmen from the

white majority in the problems ties, the private sector and the they face finding suitable small business premises. But the conBritain's 15,000 strong Ismaili centration in the inner cities. Moslem community—followers where crime rates are high, of the Aga Khan—is unusual

Britain's 15,000 strong Ismaili

even by Aslan standards for its

degree of organisation. The community set up thre enter-

prise agencies—two in Canada,

one in London-after being

displaced from East Africa in

"We knew as a minority we

would have a problem establish-ing a track record," says Sad-rudin Albarall, head of the

Ismaili business information centre. "His Highness the Aga

Khan said we must make our-selves bankable."

Over the past 10 years the

centre has helped 700 families (a fifth of the 3,500 total in the community) set themselves

up in business. It advised its

members initially to go into

the retail and services sector.

where relatively little capital was needed, and established a loan guarantee programme with

Lloyds Bank. The Afro-Caribbean com

munity too has been working hard to establish the "network" that has served the Asians so

Work has been going on for some time to establish an Afro-Caribbean Bank, now renamed

First Partnership Bank, and extended to include all the

Progress has slowed in rece

months however and while pledges of support have been made the idea has yet to take

to launch a venture capital fund for ethnic businesses. The

fund, entitled the Paul Bogle Development Fund, aims to raise £1m from City investors to be used in £20,000-£100,000

bites to help growing busi-nesses and in smaller amounts

ethnic minorities

on concrete form.

the early 1970s.

means insurance premiums become a major outlay.

The concentration in the inner city also means ethnic businesses have to find their customers among the less well-off. "If you are based in a declining area where incomes are themselves.

But these figures must be set against a background of an unenterprise agency in Deptford,

South London Even success brings its prob-lems. Many of the businesses, particularly those set up by Asian immigrants from East Africa, are now reaching a stage which outside manage skills are required if they are to grow further.

Delegation: The founders

these businesses now face

Some of the problems facing the problem of delegation," says would-be businessmen from the Dholakia. "They grow by ethnic minorities have been around for a very long time. But family, How do they employ and control a profes

Being able to draw on the educated second generation does not always solve this problem The son frequently comes in with new ideas for marketing or finance but the father cannot see the logic of changing systems which worked well in the past.

Diversification: The success-

ful ethnic businesses are now being forced to consider diverto help start-ups.
Another Paul Bogie project Another Paul Bogge project aimed at establishing an Afro-Caribbean network is "Wealth," a glossy black business maga-zine launched last August. sifying out of their traditional areas—both because of compe-tition from members of their own community and, increas-ingly, from indigenous busines-

The government and the private sector have also been busy. The past 18 months have enced businessmen from the Ethnic foods, hair care probusy. The past 18 months have also been businessmen from the Britain from East Africa in the arry 1970s often need help in ority-run businesses but the presenting their plans, says large retail chains such as North London and in Uday Dholakia, an adviser with Sainsburys and Boots are now Birmir cham. All are in



deprive a areas with large advice to black people," he minority populations. work of more than 300 enterprise agencies set up around the country and funded

by the private sector. Unusually authorities, the Home Office provided a Leicester. Section of the last part to run has just ret each at these three agencies.

The local authorities themselves are also active. Hackney and Brent, both London boroughs with large ethnic minorities, have established small departments which provide advice, funding and pre-mises for small ethnic busi-John Hystt, Business in the

John Hystt, Business in the Community's London regional director, believes these initiatives are starting to have an effect. "There is a change taking place because this government takes business and alternatives are taken to be a supermental takes business and alternatives." self-employment very seriously.

More horse-power is going into
the enterprise agencies and the
banks are beginning to respond to pressure to take more risks.

But he tempers this enthusiasm with criticism of the patchwork nature of the programmes. "What is lacking is a co-ordinated and cohesive policy towards providing start-up capital, premises and quality

Hyatt and others in the ethnic business sector are also critical of the short-term Leicester's Uday Illulahia

trip to the US where, he says, he was impressed by the pro-fessionalism of the American approach to minority business.

Funding in the UK tends
to be short term," he says.

Business agencies are funded for two or three years but a good adviser won't join for such a short period. These are still short-term experiments with no clear aims and obectives."

Deptford Enterprise Agency, director Joe Greenland, tel 01-692 9204.

North London Business Development Agency (Finsbury Park), director Winston Collymore, tal 01-359 7495.
Black Business in Birmingham, director Kafl Adjei, tal 021-236 9496. Paul Bogie Foundation, direc-tor Banny Barnett, tel 91-267

Leicester City Business Development Unit, 6533 554464 Ismaili Business Information Ismaili Business Information Centre, 01-225 0363.

Low-down on small business life-style

BY CHARLES BATCHELOR

WORKING FOR yourself is often very hard work but the consequences in terms of health and the incidence of marriage breakdown are less marked than is often assumed, according to a survey just

The three authors of Small Business Owners and the Self-Employed in Britain* claim to have made an important breakthrough in the provision of information on the country's small lustness sector.

They believe their report will help destroy the two most common stereotypes of small businesses in Britain — of the back-street engineering work-chop and the small retail store — and possibly prompt a change in government policies.

"A lot of government policies have in mind these stereotypes," says Dr James Curran, head of the survey team.

"Many of the small business policies introduced introduced." ince 1979 have discriminated against service busin because they have been aimed at manufacturing. Yet less than one in five small businesses involves manufactured and property than the small businesses involves manufactured by the small businesses involves in the small businesses in the small bus businesses involves manufacture and many service businesses are not shops."

Government support also tends to go to businesses which employ more than one person in spite of the fact that most businesses are onethat most businesses are one-person operators. A generally-held view is that one reason for this could be the complexity of employment legislation, but detailed statistics are lacking. Based on the General Household Survey, an annual in-depth survey of some 12,000

household survey, an annual in-depth survey of some 12,000 households or 31,000 individuals, the small business survey looks more closely at more than 600 self-employed non-professional workers and nearly 300 people employing up to 24 workers. This is the first time the household survey data has been used in this vey data has been used in this

It reveals that men who work for themselves work long hours — more than half worked for more than 50 hours a week — though women were more likely to be part-time enterprise owners, working fewer than 20 hours.

People who work for them-selves are likely to report that their health is good although self-employed women were more likely to report poor health than either their male counterparts or employees generally. People's assessment of their own health are notoriously subjective how-ever, the researchers noted.

Running your own small business is reputed to put a strain on marriage but the survey offers little support far this. Few of those surveyed were divorced or separated though a large number of women were widowed and had possibly taken over the business from their late husbands. The data reveals nothing, however, about the quality of the marriages of the self-

employed. The report shows that levels of self-employment among ethnic minorities are similar to those of the population as a whole but gives no breakbetween different down between

In education terms the owners of small busin tend to be less well qualified than the employed popula-tion as a whole though women are marginally better educated than their male equivalents.
The survey refutes the

notion that the affluent working class and the lower levels of the middle class are the main "feeder" classes to maintain the "petite beurgeoisie." Other classes are more strongly repre sented than thought, it says. than *Authors James Curran, Roger Burrows and Maria

Evandrou. Available from the Small Business Research Trust, & Dean Trench Street, London SWIP 3HB, \$10 plus

Boom in co-ops

BRITAIN'S co-operative move-ment is booming. The number of worker co-operatives and community businesses rose by two-thirds to 1,476 in the two years up to LA76 in the two years up to June 1986, according to the Co-operative Development Agency's latest directory.*

Growth in the services sector was slightly ahead of the increase in the manufacturing and wholesale/restail areas. Co-ops are estimated to employ about 14,090 people, most of whom are members of their businesses.

*The National Directory of "The National Directory of New Co-operatives and Community Businesses, Available price £5.50 from the Co-operative Development Agency, Broadmead House, 21 Panion Street, London SWIY 4DR.

Business Opportunities

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

A UNIQUE BUSINESS OPPORTUNITY

Ford Motor Company Belgium S.A. is seeking

(A) DEALER(S)

to own and operate (wholly or partly) a section of the Brussels Metropolitan region with an annual volume of more than 2,000 vehicules, sales revenue of 800 million BF and a large, well-established customer park.

Please write, in strict confidence to Mr Rik Telen, Ford Motor Company Belgium S.A., P.O. BOX 37, 2030 Antwerp - Belgium.



100% TAX RELIEF OIL OFFICE BUILDINGS

For further information, please contact: Tom King at Courtyard Estates Limited 01-829 2484 117 Piccadilly, London W1V 9FJ SHORT TERM BUILDING FINANCE

AND BRIDGING ON INDUSTRIAL
COMMERCIAL & RESIDENTIAL
DEVELOPMENTS
AT PRIME RATES Apply to: Europe's Laeding
Financial Consultants
Please address inquiries sec
Hirsch International
(Financial Services) Led
15 Berkeley Street, London, W1
Tel: 01-829 5051/2 - Teles: 283/4

CORPORATE BUSINESS MAGAZINES REALFINANCE

Monthly publication analysing all espects of commercial and industrial property finance in the LIK and overseas. Bankers, developers, professional advisors aced

Whitinance Journal

Boad monthly by the "top of the pyramid" in suline management, manufacturers and aircraft finenciers and packagers. Very specifically aimed at the finance and economics of cummercial aircraft

ASSET FINANCE & LEASING DIGEST

This monthly magazine, now in its tenth year, covers the financing of expensive capital plant and equipment. Finance directors, keep in touch with the equipment financing market through "Leasing Digest" Sample copies (free) from

Misse Trapez, Hawkins Publishers United, 2 Church Street, Cogneshall, Essex COS 1TU, England, Tel: (0376) E2262; Teles: 987913 Hawkin G; Fex: (0378) 82858

FOR SALE **ELECTRICAL BRAND NAME** INGERSOLL

Rights in this well-known trade mark in the field of domesti appliances are for sale. The rights include trade mark registrat UK and panding applications in the UK and Spain and (opti goodwill of the business concerned. For further details of this business famous brand name contact:

| International Patent and Trade Mark Agenda S Plough Place, New Fother Lane, London EC4A SHY

INCOME TAX INCLES 1986/87 I is one as invitation to subscribe for as to period







The Black Borse Browery has been set up to brow good quality cask beer for supply hits the tree word its own find estate, and intends to build up a profitable estate of freehold and foresteeld public bosses in and around Landon and the 1425 purpliery.

Investment offer carries full DES tax relief for 1986/87 ■ Strong esset backing ■ First find house aboutly acquired ■ Experienced stamogerous from

OFFER FOR SUBSCRIPTION terms of the Dustress Expansion Scheme spec PORITOR YORK LID of up in 2,300,000 Ordinary Stares of E1 each at E1.25 per share physical in full on application.

lies list will be chased when the offer is fully subscribed or at 3,00 per on March 3, 1907, unless extended polor in find date.

To: Pointon York Ltd., 7 Caronalide Square, Lundon WIN 988. Tel: 01-631 3015 Frame touch markey Standard adultur a copy of the prospector without obligation.

Financial Advisor

Control of the Contro

PROFIT BASED PRINTING PARTNERSHIP

Consider the benefits of converting some of your company's printing costs directly on to your own bottom line. If your commissioned printing costs are in excess of \$400,000 annually we have a proposition that may be mutually beneficial. We are a technology led, award-winning printing group based in the South East.

Write to the Chairman, The Foxes, Heath Road, Ramsdan Heath, Esser, giving brief details of nature of printing .

NON EXECUTIVE DIRECTOR INVESTMENT £25,000

Independent film production company with ongoing projects supported by finance from major international film distributors sasks participation of a non-executive director. Applications are invited from mature business crientated individuals interested in, but not necessarily previously involved with the film/television industry.

Company has extensive portfolio of interery properties ready for development and non-executive directors' investment will contribute to working capital in this area, not to high risk production finance.

Profit estimates for the short and medium term make this an exciting apportunity with the potential of substantial capital gain in the longer term. Involvement and time commitment will be tailored to meet individual requirements.

Please reply to Box F7121, Financial Times 10 Cannon St. London EC4P 4BY

Asset Trust PLC WISH TO ACQUIRE

FUND MANAGEMENT COMPANIES

We are seeking to expend our funds under management by the acquisition of fund management companies or investment management divisions of larger groups. Also we would consider individuals who are seeking an independent base and who can bring with their discretionary clients. We are prepared to offer a financial package, including equity, for suitable

M you are interested please contact:

ASSET MANAGERS PLC
Plantation House, 10/15 Mincing Lane
Landan BESS 10X - Telephone: 91-220 7231

DRILLING INDUSTRY CONSULTANTS OFFSHORE - ONSHORE

Equipment brokerage (buy/sell/lease), mergers, rig management including operations and marketing, major shippard projects, towage. Confidentiality respected. W. D. KENT, INC.,

777 N. Eldridge Road, Suite 789, Houston, Texas 77079 Tel: (713) 531-9908

Teles: 790576 WDK HOU

ACQUISITIONS SOUGHT

KKC Inc is seeking companies with sales ranging from \$10,000,000 to \$50,000,000 and a pre-tax profit in excess of 10% of sales KKC's acquisition criteria is to acquire profitable well-managed companies in which senior management will partake in an equity position

> Respond to: R. W. Kettlewell or Michael Craig c/o KKC Inc Suite 505, 1200 Sheppard Avenue East Willowdale, Ontario, M2K 2R1

CAPITAL **GAINS TAX-ROLL OVER** RELIEF

Eliminate CGT. Roll over relief is universally available safely and effectively in a way which offers good returns and avoids risky business ventures.



Are you a MAIL ORDER COMPANY I Want to CUT YOUR OVERHEADS!

Why pay for something all of the time when you only need pay for it some of the time? We have trained and experienced staff, custom designed computeries of utiliment systems to handle "off-the-page" promotions, catalogues and continuities (cash with order and/or cradit sales). And planty of office, storage and packing space to handle the work. To errange an informal talk

Sue Farrissey Crowcastle Mail Order Services Telephone Mariborough (STD 0672) 40888

BRAZIL

A clean company based in Rio de Janeiro. Cecax approved for export and able to operate generally. Office, telex, telephones. Owners would like to do association, joint vanture, att. To share overheads. Preference is not to sell out. interested parties may call:

Rio: 257.5198 - 257.5549 Telex: 2130960 QVCE BR Mrs Kamis se and English speaking) London: 01-484 3298 Telex: 22360 SAGLDN G

Miss Renuka Pathenanathan (English apsaking) * BRIDGING LOAKS

¥ SHORT-TERM CAPITAL Very fast short-term finance
(3-8 months) for property owners
Domestic or business
No Brokers' fees
This Transfer Transfer

8 Artillety Lane, London E1 7LP
Tel: 01-277 4544

Select Southern Californian Properties Available Froperties Available

For Sale or Joint Venture. Choice of residential, other or commercial prolects eliter completed or "to be built." of the properties of the completed or the properties. The projects from concept to be invited invites, inquiries. Contacts in the projects from concept to the projects West Barren Amegela an Gabaa. Erreit ber wieden . ت. ما 15 سادي أسما_ل

financially.

MI TUR BUR

40% CO Y

 $V_{-}^{*} \subseteq RR_{-}$

#4%450M\$1

Section 1999

 $\frac{\frac{2\pi i}{2\pi i}\frac{2\pi i}\frac{2\pi i}{2\pi i}\frac{2\pi i}$

MODELLA COM

PERLISHING

भवत्तः ३३३ २ ()

Compa

AT BETTE LONG LOS 761 A EXISTS - 125

Be Janz Camatral EDIT - SICHE

Programme And MOTOCC=YING DEALER

A MARKETURE Carried Control

4.3 All the state of t

CATKAW_

State of the second seco

to the course was published by the control of

Business Opportunities

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

UNITED STATES GOVERNMENT COMPUTER SOFTWARE

United Kingdom company holding marketing rights to US Government-owned computer software and databases (more than 3,000 sci/tech programs), seeks agent to sell direct to government, industrial and academic clients. There are likely to be apportunities for providing added value services.

For this prestige project, applications only considered from well-established companies with successful track record in software sales, development and customer support.

Principals are invited to subport.

Principals are invited to submit company details in confidence to:

The Directors, Box F7113, Financial Times 10 Cannon Street, London EC4P 48Y

WATERSIDE OFFICES

CLAPSHAWS

OPPONTUNITY FOR ENTREPRENEUR

A private company based in Sevenoaks offers a unique opportunity on an entrepreneur who has the ideas, talent, drive and some finance to "go it slone." The company can provide office, office facilities, management support and capital participation is return for equity. Please write giving details of your proposition and Indicate if a business plan is available which features profit and cash projections,

Please reply to:
THE CONTINENTAL FRUIT PACKING CO. LTD.,
87/93, High Street, Sevenalis, Kent TN13 1LE.

Financially sound Engineering Company in Scotland

With modern, wall-equipped tectory in Enterprise Zone and with highly diversified skilled labour force experienced in design and manufacture of Mechanical Hendling, Steelworks and cli-related component to BS Sundard 1750 Part I and with considerable acops for expansion, seeks business relationship with Engineering Company which is booking for a reliable manufacturer, Long-term relationship desired. Would consider joint venture.

Box F7106, Financial Times. 10 Cannon St. Landon ECAP 48Y

Please reply in contidence to:

HAS YOUR BUSINESS GOT PROBLEMS? HOW DO YOU TURN IT AROUND? We specialise in rescues with finance AND COMMITTED MANAGEMENT SUPPORT

Peat Aikin Associates Limited. Telephone 01 227 2893

MANAGEMENT SERVICES IN GERMANY
International Management Services offers professional support to companies seeking to expand, contract or establish subsidiary operations in the German market. Whether your company is considering making an equisition, merger, joint venture or disposel, we will carry your project from the research and planning stages through to final contract, in conjunction with our associates we also provide professional, legal financial and taxation advice. We guarantee a personal discreet service tailored to mast our clients individual node, For further details write to:

IMS Unternational Management Services
6000 Cologne 41, Viktor-Schnitzier-Str. 31, W. Germany

TAX LOSS

COMPANY

REQUIRED

by Company dealing in

USED MACHINERY

Agents protected

Write Box H1658

London EC4P 48Y

ACQUISITION/INVESTMENT

WANTED

Directory or Newsletter Publisher
Data base provider, market
research company or similar
opportunity wanted by a
substantial private investor
Expansion capital provided and/or
buyout negotiated
Brokers protected.

Wrke Sox F7055, Financial Times 10 Cannon St, London EC4P 48Y

TRULY UNIQUE

MEDIA VENTURE

Well established successful

group requires investor to benefit from imminent launch Detailed information available to bona fide individuals only

Write Box F7114, Financial Times

Company engaged in the sale of

HIGH QUALITY

BED LINEN

by mail order only is looking

for an investment up to
£100,000 to assist in opening
prime London retail outlet in
response to customer pressure

For details write to: Box F7116, Financial Times 10 Cannon St, London EC4P 48Y

NIGERIAN FUNDS

Within new currency guidelines it is possible for UK holders of certain types of Naira deposit to derive direct benefits from

their holdings.
For discussion on procedures and

Kenford Engineering Ltd.,

Gulidford, Surrey Tel: (0483) 68977

VENEZUELAN

DEBL

CAN ASSIST IN COLLECTION Vanezuelan Private Commercial Debt

Contact:
J. Ewing
Emo W. Dearborn. Softs 918
Chicago, IL 50510, USA
Tel: 312-681-0428

ATTENTION:

STOCKEROKERS

US Company (OTC) seeks help in piscing its shares. We offer substantial incentives for the right help and plan to visit London

INFORMATION PUBLISHING

One year old, but already profitable. Cambridge based company seeks investors to provide total of translation (meetment 20,000) to taciflate urber expension. Real filelihood of very substantial capital appreciation of investment over 2 to 3 year period Investment is BES eligible subject to status Write Box F7073, Financial Times TO Cannon St., London EC4P 48Y

SOUTH EAST ENGLAND INVESTMENT PROPERTY Exclusive Site with Planning Pennission for LUXURY FLATS/BUNGALOWS

including 3 properties.

Offers in excess of 2460,000

Principals Only Pieces apply to: Box F7102, Financial Times 10 Cannon St., London EC4F 48Y

KEEP YOUR COMPANY SECRETS ... SECRET C.A.Z. Ltd are leading suppliers of professional quality surveillance of professional quamy and counter-surveillance equipment. Recording briefcases, section detectors, etc. workwide service, same day despatch for turther information telephone or write to: C.A.Z. LTD 27 Star Street, London W2 1QB Tel: 01-359 3771

BUBSTANTIAL & PROFITABLE **PHOTOCOPYING**

DEALER seeks other persons/companies similarly engaged — big or small — who would be interested in discussing merger, joint venture operation or actight as Seriously interested dealer principals only should contact: Box F117, Financial Times TO Cennon St. London ECAP 487

TO MANUFACTURERS

Do you have good products at competitive prices with export potential ! Write to us. We have an excellent marketing network in the Middle East, Africa and Canada. Write Box F7123. Financial Times 10 Cennon St., London EC4P 4BY

WANTED

We are a very successful UK manufacturer of fast moving DIY and home improvement products, operating our own selling and distribution system. We have an excellent customer base in the UK and Europe. As part of our expension plans for our home and export markets, we seek additional related products with rolume potential.

Replies tracted in strictest confidence

Write Box F7107. Financial Times

Write Box F7107, Financial Times 10 Cennon St., London EC4P 4BY

MEDICAL PRODUCTS COMPANY WIN unique products requires marketing partner. Write Box F7109, Financial Times, 10 Cannon Street, London EC4P

SPANISH REPRESENTATION, British busi-nessman 20 years residence Barcetona oders services. Write Box F7110. Financial Times, 10 Cannon Street, Landon EC4P 4BY.

£7.5m PROPERTY INVESTMENT PORTFOLIO

FOR SALE JOR,000 SQ FT SITUATED HEATHROW AREA
Large portion occupied by blue chip tenants
Considerable development potential
Current rental income £850,000 pa, rising to in excess of
£950,000 by December 31 1987
Possibility of existing mortgages being transferred to
purchaser

Quoted shares accepted in exchange Write Box F7122, Financial Times 10 Cannon Street, London EC4P 4BY

REQUIRED £1 MILLION PLUS

Working capital for Property Development Company utilising advanced but proven building technology resulting in wider profit margins.

Will also consider Joint Ventures with other developers. In the first instance please reply to: R. H. Edwardes Jones, ARICS 2 Duke Street London W1M 5AA

LONG ESTABLISHED MARKET LEADER

UK based company, part of international group, marketing chemicals and application plant with respected trade marks/outlets in the building/specifier field it interested in entering into discussions with company producing speciality protective surface coatings or treatments, who wishes to develop increased market potential

Write Box F7115, Financial Times, 10 Cannon St., London EC4P 48Y

INVESTMENT REQUIRED

BUY BACK ARRANGEMENT

Garment manufacturer supplying leading department stores and Government organisations seeks equity investors to continue expansion of business. The turnown in the first year of trading reached 250,000 and any investment could provide a potentially substantial returning for further details please while to:

For further details please while to:

FARREL LIMITED

1st Proof, 407 Horney Read, Islandon, London Williams investment of 25,000

New Product Development

Due to termination of a substantial contract we have surplus development capacity for microprocessor application, computer activates and electronic system development. If you have requirement for either new product development or improvement please contact us for a confidential discussion. We are repeated to carry our selected programmes of work on a risk sharing beels. CONTACT BOX F1120, FINANCIAL TIMES TO CANNON STREET, LONDON ECAP 48Y ON TELEPHONE, 0467 830228

GENEYA - SWITZERLAND THE CENTRE OF PRIVATE FINANCE

TRANSCORP INVESTISSEMENTS SA 13, rue Fordinand Heden, CH-1207 Genera Thi: (22) 36 6691 . Telent 288767 TRAM CH

COMMERCIAL & INDUSTRIAL

MORTGAGES AVAILABLE

TEL: 01-546 8857

Finance Brokers:

MAYBURY & COMPANY

16e St James's Street

BUSINESSMAN

WITH CAPITAL

neeks to investing.
WORKING DIRECTOR
In profitable and exciting business
Write Sox F7118, Financial Times
10 Cannon St., London ECAP 48Y

INVISTMENT PROPERTY

PLC Prepared to sell 19th Coetary maintent house. I miles from Manchester centre. Ottline planning permussion already granted for old people's home, but also suitable for use as looks, Maith club, restaurant, oftens, etc. Offers in the region of £200,000. Details on request from Backspar PLC, 35 Broughten Special Manchester NS 85.2

Tel: 061-632 3361 Pers 061-632 7926

USA

FORTUNE 500 CONSULTANT

RESCUE, RECOVERY,

Specialist professional ream with 30 years commercial superience and with successful assignments in business turnound and acquisition are surretony and tasks required one.

strategy asok tasks requising general management, finance, marketing or production skills.

Write Box F7111, Financial Times 10 Cannon St, London ECAP 48Y

WHOLESALE/RETAIL

Well established family business with own freshold property is expanding in 1987 and is looking for an additional partner to inject

for an additional partner to inject 220,000 for further rapid growth. Directorship and shares option considered

ponaldered Apply Box F7108, Flaenciel Times 10 Cannon St. London EC4P 48Y

eo with A

MICRO-ENGINE TUREN

New product fully developed UK patent application. Proven reliability after extensive field prists. Will negotiate for manufacture/marketing Principale Only

Write Box F7103, Financial Timet 10 Cannon St. London EC4P 48Y

Research breakthrough in

Recovery

Other variable assets include further technology, patents and projects

UK Contact Tel: 81-636 2777

sholders of high tech company dicically sentitive country offer 24% of equity for £1m

30 years' experience

8 York Rond, Larch

UNIQUE OPPORTUNITY For persons with golf merketing connections in the areas of USA. apen. Australia, Europe, to merke exciting new golf device if interested please contests HYMEC LTD. CAMBERLEY Tel: (0276) 29125/2 - Teles: 9586

A WASTE OF TIME!

Write: Chairman Box F7119, Financial Times 30 Gannon St, London EC4P 48Y

BUILDING **PRODUCTS**

Established small company Watford and supplying waterproof and protective coatings wishes to MERKE OR SELL. Premises are shortly to be sold Write Box F7101. Financial Times 10 Cannon St. London EC4P 48Y

HUSINESS AND ASSETS OF SOLVENT AND INSOLVENT COMPANIES FOR SALE

Resiness and Ameta (REC) Tel: 437 3034

SHALL COMPANY WITH SPARE CAPACITY AND SPACE Wishes to diversify and utilise existing national network of sales and service to a greater extent of efficiency. Write Box F7112, Financial Times 10 Cannon St. London ECAP 48Y

100% I.B.A. SOUTH EAST £120k - £2.4m Write Day F7001 Financial Times 10 Cannon St. London ECAP 4557

UNLIMITED INTEREST POTENTIAL

Defer payment of tax on profits by additional 11 months. Pre 1985 company for sale, Eally transferred trade. Only companies with aub-stantial profit need apply. Write Box F7104, Financial Times 10 Ceanon St, Landon EC4P 4BY

XPORT COMMISSIONS on bus Trading Co. Tel: 01-422 5577. SUYING OR SELLING A BUSINESS? Require equity funds? Gerhof Bentley isd, Telephone 01-742 9620.

Office Equipment

EXECUTIVE ITALIAN OFFICE **FURNITURE**

Collection of high quality executive and operational ranges finished in natural selected veneers; Rosewood, Walnut, Black Ask, Light Oak, including configurations of systems furniture. In bi-laminate finishes and light oak venoer.

Substantial discounts, immediate free delivery and installation Full details tel: 0992 506547

Businesses For Sale

Dartington Hall Tweeds Limited

Is Receivership

Manufacturers of this marque with an international reputation for quality. The business and assets of the company are offered for sale by the joint administrative receivers.

Pure woollen tweed upholstery cloth
Business established over 40 years
Highly reputable customer base
Retail shop in the tourist centre of

Dartlington, Devon solling clothing etc 2 Leasehold factory premises in Dartlington ⇒ Turnover £509,000 pc

* 12 employees

Cork Gully

All enquiries should be addressed to: C. J. Bartow, FGA Palet Administrative CORK GUILY 23 Princess Street

Plymouth PL1 345 Telephone: (IITE2) (62:62) Telep: 46718

DESIGN & MARKETING CONSULTANTS

The business and assets of a Dundee based Design Consultancy are offered for sale as a going concern by the Receiver.

 Turnover approximately £300,000 per annum. • Enterprise Zone, modern leased premises

 Quality customer base Substantial order book

For further information contact J. R. Y. Dickson.

△Touche Ross

15 Mebille Street, Edinburgh, EH3 7PQ. Tel: 031-225-6834, Telen: 727172 TREDIN G. Fax: 031-225-4049

CHESHAM. **BECAUSE YOU ONLY SELL** YOUR BUSINESS ONCE.

Chesham are the leading merger brokers in Britain and have confidential briefs from several hundred public company chairmen, who are looking to buy successful, private companies worth £500,000 to £25m.

If you're thinking of selling your business, contact our Managing Director to arrange a confidential discussion.



Audiey House, 9 North Andley Street, Landon, WIY IWE. Telephone: 01-629 5917.

PLANT HIRE COMPANY

Based in North Midlands industrial area, Large range of prestigeous modern tracked and tyred plant.
Sound customer base including national companies and major Freehold premises on modern industrial estate. Turnover

well in ercess of film per annum, sound management and admin team. Accounts available to 31 December 1986. Reason for sale is Accounts available to 31 December 1930, Reason for sale is that the activities of the Company are no longer compatible with the remainder of the group's expansion plans.

Offers invited in the region of £450K for the share capital of this lucrative and progressive company.

Enquiries considered from principles only to: Box H1647, Financial Times 10 Cannon Street, London EC4P 4BY

OF INTEREST TO COMPANIES AND INSTITUTIONS ASSETS OF RETIREMENT HOME COMPANY

Including established top quality retirement home with extensive grounds in an excellent location in East Anglia — London 25 miles Existing 20 bedroom plus self-contained staff accommodation Planning consent for extra 12 single bedrooms. Fully occupied and excellently equipped. Registered under latest legislation ALSO SHELTERED HOUSING SITE

Full planning consent for up-market 20 unit plus warden's scheme Plus in separate town, site for second nursing/rest home. Including magnificent Grade II house with potential for 28+ single bedrooms Plans available

For sale freshold as a going concern, only due to owner's serious health problems at £1.2m, or may split. Principals only Write Box HS32, Financial Times, #0 Cannon St. London ECSP 48Y

IRON FOUNDRY FOR SALE

Modern repetition and jobbing foundry with electric melting producing Grey and S.G. Iron. Capacity approx 2,500 tonnes p.a. Large freehold site. For sale as a going concern. Existing Principals only write Box H1643

Financial Times, 10 Cannon Street, London ECIP 4BY

Financial Planning Team A small, highly professional team of established, well-qualified personal financial advisors, based in the provinces, seek a link with an institution or financial group to establish an authorised independent intermediaty from in anticipation of the Financial Service Act.

(aggressed parties should contact Robin Rows, Lipyd Chapman Associates 160 New Bond Street, London WIY OHR Tal: 01-498 7761 = Fax: 01-481 7459 = Telex: 298942

BATHROOM WHOLESALER & RETAILER

Offers are invited for the going concern business of R. Rudd & Co Limited
— in Receivership. The company wholesales and retails senitary were
from Preshold premises in Mercayside
Distribution is throughout the NW of England
TURNOVER SILIM PER ANNUM Further Information from the Joint Administrative Receivers:

Frank William Taylor & Christopher John Chambert, Arthur Young Sillinouse Court, Tithebarn St. Liverpool L2 2LE - Tel: 051-236 8214

FOR SALE - HAULAGE & STORAGE LONG DISTANCE HAULIER WEST MIDLANDS

Offers are invited for the scio of an old established business.

Turnover: De milkon

Freebold Property * 10,500 sq ft * including cool six and refregerated storage * Fully equipped garage and offices.

For further details contact:

David Johnson, FGA, Stanley C. Johnson & Son
PO Bezz 28, 22 Worcester St, Stourbridge, West Midtends DYS 18H
Tel: (0384) 39589

and the second of the second o

DERBY

Businesses for Sale

Offers are invited for two old-established companies:-

Ley's Casting Co. Limited

Boiler section foundry business with modern equipment, supplying boiler sections. Budgeted turnover 1987 - £1.4m No. of employees - 61

Beeston Boilers Limited

Beeston produces two ranges of cast iron sectional boilers for commercial and industrial applications. Model range includes Berkeley, Bewley, Trent, Bisley, Broxley and Robin Hood,

Budgeted turnover 1987 - £3.4m

address below.

No. of employees - 46 All enquiries, in writing please, for the

attention of Michael Jones at the

Hampshire based Engineering Group

trading through two separate companies, one specialising in Mould Toolmaking, the other specialising in Plastic Injection Moulding.

Bank House, Charlotte Street

Rach has a strong customer base. Goup turnover is in the region of £4.2m p.a. split £2m toolmaking, 22.2m plastic injection moulding. Both have potential for substantial increase in turnover. The assets of the businesses each include freehold factory premises, plant and machinery, stock and work in progress,

goodwill and order books. The businesses can be sold individually or as a group.

For further details, please contact: The Joint Administrative Receivers, David H. Gilbert and Derrick S. Woolf, Levy Gee and Partners, 100 Chalk Farm Road, London NWI SEH. Telephone: 01-267 4477

& Levy Gee

Eastern Partitioning Systems Limited Norwich

The business and assets of this company which has a turnover of £1.7 million are offered for sale as a going concern by the receivers. The company designs and installs office partitions and suspended ceilings for which it won the PIA Installation of the Year award for 1986.

Enquiries to:

M. L. Page, Peat, Marwick Mitchell & Co. Holland Court, The Close, Norwich NR1 4DY Telephone: (0603) 620481 Telex: 975539

PEAT MARWICK

SQUASH & LEISURE CLUB FOR SALE

Superb modern, well-located Sports Complex (Built late 70's) Kent. Includes 8 Courts, Snooker Room, Gymnasium & Keep-fit Studio, Sauna & Solarium, fully licensed Bar & Restaurant. Managers flat, Good current active membership.

For further details apply Ref: GSM **EDWARD SYMMONS**

SETTE Willon Floed, Lendon SW1V 1DM 91-834 8454 Telex: 8954348 And at Manchester, Liverpool & Bristol

ESTABLISHED AIR CONDITIONING

EQUIPMENT MANUFACTURERS Pre tax profit in excess of £100,000. Good order book. Freehold factory location South East England. On-going local management to remain. Does not fit in with the owner's activities. Negotiation with Principals only on around £0.75m to include plant, machinery, office fittings and stock.

Opportunity to purchase freehold premises.

Write Box H1637, Financial Times
10 Cannon Street, London EC4P 4BY

SOFT FUNDISHINGS BUSINESS FOR SALE

Factory and retail, large curtain making capacity, prosperous Nottingham area in which most major national multiples are represented, Seven years left

FREE

NEWSPAPER GROUP

FOR SALE

A small expanding free newspaper group for sale or would consider a partnership, well established and showing healthy profits.

Write Box H1628, Financial Times to Cannon St. London ECAP 48Y

Employment Agencies

FOR SALE

HAMPSHIRE & SURREY

Principals Only Write Box H1652 Financial Times 10 Cennon St, London EC4P 48Y

3 ACRE

INDUSTRIAL SITE

OUTLINE PERMISSION
FOR 80.000 SQUARE FEET
Next Atterial Road. E. Heritordahin
Offers sought or
partnership with developer
Wite Box H1638, Financial Times
10 Cannon St. London EC4P 42Y

Reply stating interest to: Box H1633, Financial Times 10 Cennon St. London EC4P 4BY

£380,000 Principals only Telephone 01-997 5777 (Ref AK)

EMPLOYMENT AGENCY

SPECIALISING IN COMPUTER, FECHNICAL & COMMERCIAL STAFF Centrel location in thriving and rapidly expanding South Coast town near M27 Write Box H1627, Financial Times 10 Cannon St., London EC4P 48Y

DOUBLE GLAZING

Manufacturers and installers to retail and trade for sales

es going concern Price also includes 3,500 sq fe

factory plus 750 sq ft offices Based West London

INSURANCE BROKERAGE FOR SALE

Established 1974, based in north London with gross premiums exceeding £1m. 52% general and 48% motor business. Price £266,800 for goodwill plus £46,200 of net assets. Write Box H1651, Financial Times 10 Cannon St. London EC4P 4BY

FOR BALE LONDON ART GALLERY

Publishers, retailers & wholesalers of production prints and immed editions

Retirement sale
Undeveloped potential
Proprietor's income
£45,000 pa approx
Export market open

Kynastons, 5 Upper Tachbrook St London SWIV ISN - 01-630 0027

nall

ER LON

t shows that ke shows that we seem to be a seem

The affined of the locale discussion of the class mis der discussion of the class mis derivative discussion discussion of the class mis derivative discussion of the class mis derivative discussion of the class mis derivative discussion d Available for a sale of the sa

n in ps · co-obecaqued 700m or Worke And come

From the two two

The tw in the see se in the man q w.pojsania DS are estime: -325 14.0% pe pom sie 📻 "US Tiesses tional Dutte: seratives tell 15 besses and 30 fram w

IPITAL NS TAI L OVE ELIEF £000 ೯ನರಿಯಾಗಿ 4 y 2,2020 885

Broadmed in

n Street in

VEW IT BASIC ವ -ಕ್ಷಣಿಯಾ ತಟ್ಟಾಗ _ 5 · ~ + 5 5 5 1 12 12 12 III Car

Ander Server by to have Emerged and about a Are to: rder Comfai ₩ant to NUR OVERHELD

 $e^{-\frac{1}{2}g(x^2)+2^{m_2/2}}$ A de la company 540 F2"-15" ie Mail Order lie more Managera 3 10 T. 635 RAZIL

29 5 153 — 25 58 21 374 CC CVCC 5 #475 Karella 12 يميم فيشران ١٠٠٠. This Secret. pauks Parketin Sh arest

SSIJSING LAN

Scaling Assess

Businesses For Sale

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Terry of Redditch Ltd and Jungeling Ltd

The businesses and assets of this long established group with its well known trade names are offered for sale as going concerns. Engaged in the design, manufacture and distribution of equipment accessories and products comprising:

- Leisure businesses
- Exercise cycles
- Rowing machines
- Multigym range
- Weightlifting equipment
- Keep fit etc.
- Turnover £1m pa
- Hoseclips and other metal fasteners
 - 'Powerclip' hose clip
- 'Suip & Grip' system 'Manex' exhaust clamps
- Tool clips

David Exell, or The Joint Administrative Receivers, Christopher Morris and David Bird:

- Hardware products
- Automotive products
- Turnover £2m pa

The group is a market leader, current work force 150. It occupies modern freehold premises comprising 79,500 sq ft on a 7 acre site in Redditch, near Birmingham. Extensive fully equipped workshops. Substantial export market and an interest in a hoseclip manufacturing company in China.

For further details contact:

△Touche Ross

Queen Anne House, 69-71 Queen Square, Bristol BS1 4JP Telephone: 0272 211622, Telex: 44365 TRBRIS G, Fax: 0272 292801.

Beacon Woodall Limited Group (In Receivership)

The business and assets of this established group of companies, employing some 140 employees and based in freehold premises in Wolverhampton. West Midlands (unless specified otherwise), is offered for sale (in whole or part) as a going concern. The

Whenen Woodall Limited (based in Wolverhampton and Hinckley, Leigestershire)

Plumbing and heating engineers, annual turnover approximately

Woodali Mechanical and Electrical Limited (Incorporating Griffin Plumbing and Heating — based in Newton-le-Willows, Merseygide)

Woodali Contract Plumbing Limited Water and Warmth Limited Contract plumbing and heating engineers, annual turnover approximately £780,000.

Bridge Construction Limited (based in Erdington, Birmingham)

BinderHamlyn HARTERED ACCOUNTANTS

For further information contact

C&L

DIGITAL INSTRUMENTS LIMITED

Digital instruments is a small company in the Factory Automation market which manufactures networksbie intelligent I/O modules

- This company have been soknowledged by the technical press as product leaders in their field
- Users cover a wide spectrum of industry
 e.g. Food, Pharmacoutical, Water, Automotive,
 Manufacturing Mechinery
- Existing detabase of several thousand anguirles
 Small range of stocks, office and exhibition aguirment

Coopers &Lybrand

For further details Coopers & Lybrand Phoenix House Station Hill Reading RG1 1UN Tel: 0734 597111 Fax: 0734 508166 Telex: 048580

SPECIALIST RETAIL CHAIN

Opportunity to purchase and expand profitable business with 15 shops



8 Hinde Street, London W1M 5RG Tel: 01-487 5671 Ref: AHW/BWH



TAXATION

The Financial Times is proposing to publish a Survey entitled

TAXATION

on April 24, 1987

If you require further information on this Survey, please contact:

Claire Broughton

on 01-248 8000 extension 3234 or your usual Financial Times representative

Diamond Drilling and **Sawing Contractors**

Hertfordshire

Wire and flat metal spring

Standard precision springs

manufacturing plant

Turnover £1m pa

Turnover £0.3m pa

and washers

On behalf of our client, we offer for sale the business of Diamond Drilling and Sawing Contractors for the construction industry. The company has been established for 25 years. Current turnover is £400,000 per annum. The company has leasehold premises of 3,500 sq ft and 15 employees.

Further particulars available on request from: R G Carter or J R D Smith, Spicer and Pegler Associates, Friary Court, 65 Crutched Priars, London EC3N 2NP



Spicer and Pegler Associates Management Services

Computerised Typesetting and **Music Setting** Equipment

The joint receivers and managers of certain assets of Hillchart Limited (formerly Artsound Limited) wish to sell equipment used in computerised typesetting and music setting which includes:

- Monotype Lasercomp MK2/70 typesetter
- Agfa-Gevaert Repromaster 2100 and copy proof CP38
 Amicus text setting terminal and
- ancillarie Bavdal S12 fixed disk stores
- For further information and details apply to JAG Alexander, Joint Receiver and Manager

KMG Thomson McLintock Chartered Accountants
70 Finsbury Pavement, London EC2A 1SX Tel 01-920 9111
Facsimile 01-588 2485 Telex 886556 trnclin g

ARCHITECTURAL

ISLAMIC DESIGN COMPANY

ENQUIRIES ARE INVITED FOR Turnover for 1986 of C3m from tablished oversees customer bas Computer controlled graphic design facilities

Excellently equipped leasehold offices of 3,000 sq ft and eparate warehouse of 10,000 sq ft Nest London

Please write to: Box H1659, Financial Times 10 Cannon St, London EC4P 4BY

ANNUAL PUBLICATION IN THE RECORDED MUSIC INDUSTRY
A long established title is for sale. This yearbook is distributed annually to all buying authorities within the tribination of the package for all enginess up-to-date research to copyready and typeset sizes for all editorial and content sections, and a comprehensive mailing list.

PRECEION ENGINEERING FOR SALE

Midlends based company with interest in tooling, special machinery and sheet metal equipment. Profitable, Turnover 2800K+. Principals only. Apply Box H1628, Finapolal Times 10 Cennon St. London EC4P 4BY

FOR SALE as going concern, brading export company, as: 1982, with sole asset of agreed tax Loss of 180,000. Potental for sales, from groundwork already done. Offers invited to 8g. H.1653. Financial Times, 10, Cannon Street. London EC4P 4819.

BAKERY Turnover £500,000

Projection £650,000 Offers over £650,000 Write Box H1631, Financial Times 10 Cannon St. London EC4P 48Y

COMPUTER BUREAU

Small mainly ICL based Bureeu for sale, based in central London, the business is available with or without existing management, or company would consider sale of turnover running at approximately £250,000 p.a. Principals only should apply. Write 802 H,1644, Financial Times, 10, Cannon Street, London ECAP 48Y,

FOR SALE Pre 1965 Company

Small trading company in the textile industry having an extended date for the payment of Corporation Tax (20 months after the year end). Write Box H1641, Financial Times 10 Cannon St., London EC4P 4BY

METAIL FURNISHING BUSINESS EAST SURREY For sale due to owners' retirement Thriving business established 40 years. Turnover £450,000—spacious premises to be et. or freehold for sale—approx. 7,700 sq. ft.
Plesse Contact: R. E. LANE, F.C.A.
Ruttand House, 44 Massess Hill,
Sromley, Kant. ERZ 95Q

SNACK FOODS Midland based manufacturer FOR SALE

Operating from freehold Annual turnover approximately £400.000 Write Box H1655, Financial Times 10 Cannon Sc. London EC4P 4BY

gargana se e e e e <mark>grandado</mark> de desente de entre en en en en entre en entre en <mark>ano a</mark> como en entre en entre en como en entre entre en entre entre entre entre en entre entr

Hire and Sale Business and Assets of Carr (Cranes and Slings) Ltd For Sale as a going concern ★ Established since 1955

Lifting Gear

★ Clients include major building contractors * Turnover approximately £400,000 p.a.

★ Freehold premises on trading estate in : Wimbledon

For further details please contact: Neil H. Cooper, Administrative Receiver Robson Rhodes, Chartered Accountants Telephone: 01-251 1644
Telex: 885734 Fax: 01-250 0801

ROBSON RHODES

EATON & BOOTH (ROLLING MILLS) LIMITED (IN RECEIVERSHIP)

Semi-continuous, hot re-rolling steel har mill with a designed capacity in excess of 10,000 tonnes p.s. on single-shift basis. Situation in Rotherham on 5-acre site (approx.) of which

For written details please contact A. C. Scheele or J. Warren, Ernst & Whinney, P.O. Box 61, Cloth Hall Court, 14 King Street, Leeds LS1 2JN. Telephone: (0532) 431221, Telex: 557636. Fax: (0532) 434195.

Ernst & Whinney

PUBLISHING

stablished auccessful publishing business for sale. Essex based. Superb growth potential. Profits c.550,000 Write Box H1654, Financial Times 10 Cannon St. London EC4P 4BY

CUSTOM CONVERSION Engineering company based in Midlends. Turning over Elm requires £150,000 for recapitalisation and share elisation and share of equity

MOTOR CAR

CHINA & FAIL EAST

TRADING—CONSTRUCTION

FINANCE—COMPUTERS

We have the experience and expertise to give you edvice and information on these grees, and

Joint ventures can be arranged ASTLEY & CO.

01-373 2515 or 0484 602864

CONSERVATIVE RE-ELECTION? In depth Financial survey and advice. Nominal fee.

Contect:

Tel: 01-323 0810

EXPORT SALES AND

MARKETING ASSIGNMENTS

Sought by senior executive with

over 15 years experience, in-house, trouble shooting or field essignments, short/medium term.

10 Cannon St. London EC4P 48Y

LIMITED COMPANIES.

FORMED BY EXPERTS FOR £121 UNCLUSIVE

COMPANY SEARCHES XPRESS CO. REGISTRATIONS LTD Enworth House 25-35 City Road, London ECI 01-628 5434/5, 7361, 9936

Minancial Surveys Ltd. Bedford Square,

to solve proble

Write Box H1657, Financial Times 10 Cennus Sr, Landon SCAP 489

Business Services

U.S. ACQUISITIONS

Independent consultant offers accurate market intelligence and thorough acquisition search, focused on medium-sized, private companies. Recent clients include UK, US and European buyers.

6 West 77th Street New York, New York 10024 212-877-3204

Offshore & U.K. Companies -

ELECT CORPORATE SERVICES LTD. S Mount Pleasant, Douglas, Isle of Max Tet: Douglas (1924) 23718 Tales: 628584 SELROT &

HAYING TROUBLE KEEPING IN TOUCH!

Rent a portable cellphone NOW. Daily, weekly and monthly. We slee sell and lease carphones, trans-For all your CONNEXIONS Phone 0343 824797

LOS ANGELES OFFICE We can provide a stepping stone to companies wishing to establish themselves in or investigate the American

VIS CONSULTING LTD 01-222 7644

DIRECY MAIL LISTS & SERVICES—100s of read-made lists infinediately available. Suppliers to leading UK companies. Che Catalonie. Marketcan, Presport. Che Catalonie. Marketcan, Presport. Limited Companies. Compa

International Business For Sale

DISTRIBUTOR AND RENTER OF SPECIALISED CONSTRUCTION EQUIPMENT EAST CENTRAL AREA

Sales and Pre-tax Income: \$9.8 million and \$1.8 million respectively
Earnings have grown 280% compounded in the last 3 years.
Compeny rants and sells equipment to industrial and commercial
construction industries in North East.

Send Inquiries:
WHE, P.O. Eox 43116, Upper Montcleir, New Jersey 67043

U.S. ACQUISITIONS Good to Excellent Profit Marghes

Sales in Hillians \$11 Timplate Service Center/Exporter

Store Fixture Manufacturer Int'l Freight Forwarders 11 Electronic Burglar & Fire Alarm Manufacturer Sheet Metal Fabricator 12 Packaging Equipment Mair Electronics Repair 15 Wire & Cable Distributor Extruded Aluminum Job Shop Builder's Materials Retail/Dist.

Commercial Bank-Florida NW Written inquiries from principals are invited, Please enclose annual report, balance sheet or letter stating not worth.

Discotheque Chain

Maurice Pfursich, President MANEATTAN VENTURE COMPANY 340 East, 57th Street, New York, NY 19022

Manufacturer/Distributor

FOR SALE—USA

Lighting Fixtures 5aloc 514 million Net Book 37 million Cset Flow 52.75 million Please respond with product literature and financial report to: Box H1638, Financial Times 10 Cannon St. London EC4P 48Y

FOR SALE OR LEASE NASHVILLE, TN USA AREA Footwear

Manufacturing Plant Fully equipped 50,000+ sq ft building situated on five acres

Tel: (203) 254-0361

Businesses Wanted

Large multi-national with considerable existing interests in physical distribution seeks to acquire additional sizeable businesses in this field (UK or Europe).

Principals only please, stating full company details.

> Contact in the first instance: Elizabeth Goodchild. BASTABLE-DAILEY, 18 Dering Street, London W1R 9AF.

Products for the Home

International PLC seeks to purchase established companies in the home improvements D.I.Y. sectors.

Ideal turnover to be in the range £2-£10 million with established customer base and distribution to builders merchants, departmental and chain stores, D.I.Y. outlets, mail order, etc.

Replies in confidence to:

Nigel Challis Peat Marwick Acquisition Services (licensed dealer in securities) 1 Puddle Dock



Telephone: (01) 236 8000 Telex: 8811541

FROZEN FOOD PROCESSOR SOUGHT

Our client is a large privately-owned American food company which is seeking to acquire a profitable UK company making high value-added frozen food products. The ideal company would have a turn-over between £2m and £20m, be profitable and

Interested parties please contact.

Ian Nelson, Ernst & Whinney,
Becket House, I Lambeth Palecs Road, London SEI 7EU. Telephone: 01-928 2000. Teles: 995234 ERNSLO G. Fax: 01-928 1345.

Ernst & Whinney

INJECTION MOULDING Manufacturers with a large injection moulding operation are seeking to expand this area either

We are interested in hearing from principals requiring contractors for any type of high volume quality moulding or those with turnover in excess of £500,000 who wish to dispose of their interests. Write Box H1629, Financial Times

10 Cannon Street, London EC4P 4BY

WANTED Leasing Receivables

(Small leasing companies or portfolios) Please send details to: Consortium Investment Department EQUITY & GENERAL PINANCE LIMITED

66 Grovenor Street, London W1X 9DB

UNIT TRUST COMPANY

Long established financial PLC wishes to widen its operation by acquisition of a unit trust-management company Reply to: Box H1600, Financial Times 10 Cannon Street, London EC4P 48Y

MOTOR DEALERSHIPS

TAA TICKET AGENCY BUSINESS Write Box H1630, Financial Times

WANTED

10 Cannon St. London EC4P 4BY

MAIOR FIRM ces, Penalon and Benefits ance, Unit Trust Advisory and in Insurance Broking, SEEKS ACQUISITIONS Commission/fee income between £250,000 and £5m pa considered Write Box G10280, Financial Time, 10 Cannon St., London EC4P 48Y

WANTED Funeral director's businesses

* Preferably sveraging in excess
of 300 cases p.s.

* Quick decision

* Excellent price paid

* Consultancy income offered to

retiring owner
Principals or professional advisers
plasse contact:

D. H. K. Mainwaring, FCA masters. 6 Upper Tachbrook London SW1V 1SN Tel: 01-630 0083

Hotels and Licensed Premises

STRATFORD UPON AVON, Close to Town Centre. Refurbished Hone Property. This imposing property offers exercise graculating owner's accommodation owner's accommodation. Owner's accommodation. Owner's accommodation. Owner's accommodation. Owner's accommodation. Owner's accommodation. Offers with the control of the control o

Hire Compenies. Please raply to Box H1849 Financial Times, 10 Cannon St London EC4P 4BY

We wish to acquire Frenchised

Motor Dealerships and Contract

MAIL ORDER COMPANY Fest-expanding, seeks to acquire companies in same field. T/O £50,000 to £1 million. Write Box H1640, Financial Times 10 Cannon St. London EC4P 48Y

WHOLESALE OR CASH & CARRY OR CASH & CARRY
Private invastor saeks ective
participation or outright purchase
of business London or north of
London. Any trade, wholesais,
retail, cash and carry, garden
contre etc., preferred. Not
manufacturing or angineering.
Reply Box H1653, Financial Times
10 Cannon St, London ECAP 48Y

WANTED INJECTION MOULDING/ ENGINEERING COMPANY A company based in the North West is interested in acquiring a light engineering/injection moulding company in the Greater Manchester area. Subattentiel funds evailable. Please write in confidence to: Box H1695, Frienciel Times 10 Cannon St. London ECCP 48Y

The second secon



25/1

 $\mathcal{F}(\mathcal{B}_{n}^{*})^{*}$

ALC: Y

15 July 19 19 19

7- 25 at ...

Service of the

And the second s

The state of the s

SECTION SECTION

GUIESTO!





Abstraction is no creative cul-de-sac

monster that guards the entrance to the infernal regions of modern art, and all who approach it should do so with some care. It takes the form fills the four galleries of the otherwise.

Institute of Contemporary Arts Of the four programmes Institute of Contemporary Arts Of the four programmes in the Mail (until March 1: already broadcast, I have seen then on to Newcastle, Preston, only two-and-a-half. Christopher Bradford and Norwich); a book has seen all six, and on his by its master. Sandy Nairne (Chatto & Windus: 256 pp; of The State of the Art as 200 illustrations; paperback; pretty dire stuff, I could not 112 95); and a six-part down agree with him more. Such £12.95); and a six-part docu. agree with him more. Such mentary series for television unconscionable tedium is in-

tional

ole busines

tatingiu

instance.

्य तथाम् इत्याकृति

10.70° ±175, 65° 25°

Sealer in season

LDING

rjection 54

or organia from pri

turn bet 24

Of their IP COM Town COMP 457

LE LIMITED

MIX ADS

MPANY

40 A 35- 8 35-

111-6-1 50-50

TOR DEALER

100 100 100

. CAPER COM

ASS ST

WHOLES IN

ILEY.

My colleague, Christopher Dunkley, dealt with the tele-vision head at some consider-able length on this page two wednesdays ago and, I must say, gave it rather a hard time. Critical colleagues, of course, are in no way obliged to agree, and it should come as no surprise to Christopher to learn that much of what he said positively urged me to quite as contentious and ques-rally to the cause of the poor tion-begging as the programmes

time and again with downright fatuity and pretension, but that hardly makes the case for Abstraction as a creative culde-sac. Far from being a mere dead-end, Abstraction is what it always was, a positive and at times exciting way forward, admittedly one of many for artists to follow. Its historical admittedly one of many for and we are free to take it or artists to follow. Its historical leave it on its own terms, that antecedents suggest that it is not soon to become forgotten and overgrown. As for any supposed revival of figurative art the expense of Abstraction, by its neglect of all contemto read it as the triumph of porary art as part of the curcommon-sense over perverse rency of normal civilises foolishness is to mistake a partly by its very nature of shift in creative interest for technological irresponsibility.

(Bob) Wilson, best known for his original works like the classic Deaf Man's Glasce and

the mammoth Einstein on the

Beach. Wilson is not unknown

in Italy: his pieces have been seen in Vanice, Rome, Spoleto.

But this was his debut at La

Scale, and his first Italian ex-

Scala, and his first Italian experience with a repertory opera.

As has become customary at La Scala, the actual premiere was preceded by a considerable press: interviews, conferences, "indiscretions" (i.e. leaks), gossip. When it was announced that the singers would not act, and the action would be in the hand of mimes (five actresses for Salome, three for the Baptist, etc), conservative Milanese were predictably apprehensive.

were predictably apprehensive.
And after every performance
there was a vociferous mixture
of catcalls and applause: the

applause addressed to the sing-ers, the disapproval to every-one else. To make the opening more dramatic, the scheduled protagonist, Eva Marton, bowed

out at the last minute and was replaced by Montserrat Caballé.

By the time I reached Milan, for the third night, Caballé had

also had to leave, and the Prin-

cess was sung by a to me-unknown soprano, Carmen Reppel. In the event, she proved

to be an appealing interpreter.

The State of the Art is, like is Abstraction now. That Carl erberus, a three-headed André with his bricks should still touch a nerve some 20 years after the acquisition of that work, and more than 10 years on from the great farore, is amusing in itself and more variously of an exhibition that to the artist's credit than

(Sunday nights at 8.15 on deed inexcusable, but it is its Channel 4, two still to come). that makes it so. For it is the curious and demonstrable fact that the book, which is truly the book of the series, is not bad at all. Necessarily shorter on its visual matter, though no less effective, it supplies the full transcript of each pro-gramme in due order, replete with reference, footnote and caption. The material itself is We may welt have been shown a great deal that is difficult, obscure or uncongenial and heard it glossed time and again with downlash

There is no mystery in this. The book is but one study among many in its field, which it defines and narrows to its argument. As such it is a use-ful and reasonable addition to the library of late modernism, and we are free to take it or shift in creative interest for technological irresponsibility, We do not have to accept with immutable judgment. Figura- can presuppose no such continuous that tion was never moribund, nor text of general study and feminism, for example, or



Deutschland Deutschland (detail) by Carlo Maria Mariani

understanding. Always more is promised than can at once be delivered, and every ambitious series concerned with modern art must start at the beginning to persuade the ignorant while hoping desperately to keep the interest of the committed. The State of the Art as it must present itself on television proposes a finality and comprehen-siveness it can never achieve, and in the event begs every question in the book.

The sad thing is that in addressing itself to certain issues that preoccupy many artists working now around the world, the series might well have achieved more with less.

socialism, or the radical rewriting of cultural history, is necessarily the one way forward, but the very exposure of silliness can be useful. A quiet, proper, unpretentious debate around any of these subjects would be entirely valid, but television makes such a thing impossible. Even a serious proposition by a major artist sets lost in the presentation.

I might be indeed an artist as the might be a saint, though few are. A natural scepticism in the face of Jonathan Borofsky's exploitative scribbles, or Victor Burgin's po-faced ideological critique, or Susan Hiller's literal seif-effacement, or Mary Kelly's maundering texts, does not invalidate the general case.

All these soi-disent artists

tree, or a stone? Every man trasted historicism of Keifer should they.

nd Mariani in the introductory section on post-modernism, to Leon Golub's impassively disturbing images of torture and interrogation in the politi-cal room upstairs. Cindy Sherman's enigmatic narcissism is expressed, as always, through her remarkable photographs.

But the show is a true curate's egg and its section on Identity, Culture and Power, which is to be the burden of the final programme, is its most doubtful portion. A large painting of two black women running after their dogs, based upon Picasso, itself a striking image, is glossed as "a stri-dent comment against the fre-quent appropriations of the early modernists." Really? Is it wrong for an artist to look to other cultures, or even other artists, for reference and in-spiration? Was Picasso's work never a celebration of native

black British artist who makes large polemical cut-outs of a startling crudity and ineptitude and an equally startling violence of raw, racist sentiment. "I suddenly became aware of what I wanted to say and who I wanted to say it to I no longer had to use the language given to me by western art traditions." Well, mere polemical assertion is no more art than Borofsky's scribbles, without the mediation of form or substance. Rodney uses the language of no tradition at all. It worries me rather impossible. Even a serious proposition by a major artist gets lost in the presentation. "Every human being is an artist," declares the late Joseph Beuys, which is easy enough to ridicule but by no means unsustainable. The effect of all true art, after all, is to raise its perception to the pitch at which the experience litself becomes palpable. And if a work of art, why not then a tree, or a stone? Every man a stone? Every man and substoricism of Keifer should they.

Gabrieli Consort/Wigmore Hall

Andrew Clements

Carissimi's Rome" is the title tion" early music ensembles, of three concerts being given with links back to the more by the Gabrieli Consort and established pioneers in the field. Players at monthly intervals in All their performances have the Wigmore Hall. Monteverdi's madrigals — taken from the eighth book, the Madrigali grammes; not a syllable is misguerrieri et amorosi-are com-bined with Carissimi's three oratorios, and the programmes bulked out with instrumental pieces by the two composers' contemporaries.

It is a pleasing arrangement, carefully plotted and smoothly executed. The first programme on Friday brought Carissimi's Jephte into conjunction with six of Monteverdi's most celebrated madrigals, the sequence interweaving duets ("O sia tranquillo il mare" and "Ardo, tranquillo il mare " and "Ardo, e scoprir") with the scena-like Lamento della ninfa and the two five-parters, "Dolcissimo uscignolo " and " Chi vol haver felice," as well as brief solo turns for the accompanying instrumentalists, playing chitarrona double, harn chamber rone, double harp, chamber organ and bass violin.

The Gabrieli Consort is a young, perfectly schooled group, under the direction of Paul

"Monteverdi's Venice and as one of the "second-generascrupulously as their pro-grammes; not a syllable is mis-placed. It seems, at times, a shade too manicured: there is surely more passion to be realised in many of these madrigals, an expressive imperative to lay stress and emphasis on the lines less uniformly. It would have been hard to guess from the Gabrieli account that "Gira il nemico" is a comic turn when its conis a comic turn when its contours are not so ironed out, or that "O sia tranquillo" should be resoundingly tragic.

For the Carissimi the five madrigal singers were joined by the soprano Janet Coxwell, and it was her contribution, as the daughter of Jephtha, which found at last the balance between dramatic involvement and musical literalness. The performance leapt suddenly into three dimensions in a way touched on sporadically earlier. suggesting that when the group relaxes more fully into its repertory it will gather far McCreesh. Its publicity places it greater expressive rewards.

Steven Isserlis/Wigmore Hall

Dominic Gill

Steven Isserits is a young
British cellist in the headtossing heart-on-sleeve Tortelier tradition. His playing is full of colourful and imagi-native things, and underpinned by a splendid technique; every performance of whatever kind of music is delivered with supreme assurance and absolutely unrelenting expressive intensity. Isserlis recitals are almost always impressive, and after about 30 minutes some-times also a little exhausting.

The effect is least tiring in the shortest musical paragraphs. Schumann's Five Pieces in Folk Style, with which he opened his recital programme on Saturday evening, are a per-fect Isselis vehicle, and he played them exquisitely—here, noted with special pleasure that

pervasive sonority but as a real expressive device. The Lang-sam song was done with heartwrenching pathos—but the sonority itself, smooth and sonority itself, smooth and beautifully modulated, contained not a trace of schmalz. Isseriis ended with Martinu's sonata and Janacek's Pohadka—and his manner suited the urgent intimacy of the Janacek especially well: few cellists make the difficult pizzicat! of the opening movement "speak" so deftly, or shape the adagio whispers with such clarity. Schubert's Aroeggione sonata is whispers with such clarity. Schubert's Arpeggione sonata is really less great Schubert than his white-hot commitment would have us believe—but it was a rare pleasure to hear most (if not absolutely all) of those high A-string figurations so perfectly flund. His avealas throughout the recital, one so perfectly tuned. His excel-noted with special pleasure that lent planist and partner was he uses vibrato not as an all-

The Hollies/Albert Hall

Antony Thorncroft

Rock music, like cricket, is thrown off in medleys which often more enjoyed through its is a pity because "Jennifer statistics than its reality: know- Eccles" and "Carrie Anne" ing who played bass in the must mean a lot to individuals original Procol Harum line up in the audience. can produce a warmer glow Instead the act is like a school than setting out for Wembley on a wet night to half hear blended with more recent adspandau Ballet. So the Hollies wentures. At the end they let are the state her remembered for the control of the let wentures. fact that they had 21 successive Top Twenty hits between 1968 and 1970 than that they can

Of course not all the Hollies are on parade, Graham Nash preferred to become a multimillionaire in the US but three of the originals are on stage—drummer Bobby Elliott, guitarist Tony Hicks, and Allan Clarke, the singer, who has come and gone from the band over the years with the regularity of a shuttle service. Backed by three

tempt to re-create their hits, which were originally culled from little-known American R & B artists and later spawned by their own confidence. Some of the songs are rather casually

ok their heavy," followed by a nod to their rock and roll credentials and 1970 than that they can still be seen regularly touring Scandinavia. Now, to celebrate their silver jubiles, they are doing the UK, and pulling in a respectable crowd at the Albert Hall on Saturday for starters.

Of course and roll cregenuals with an extended "Long cool woman." It is all rather cost, very relaxed, and undemandingly enjoyable. Like most pop stars Clarke and the rest look as if they spend half their lives beside LA pools and half working out in private grows. They ing out in private gyms. They chat easily with each other, and the audience, with jokes about the Beatles, about the enormity of middle-aged men playing at rock stars, about Hicks making Cliff Richard look old.

What holds it together is the strength of their material—it is worth turning out to hear "The air that I breathe"—and their shuttle service. Backed by three all that I breathe "—and their new recruits they are enough to roll back the years and to remind the audience just how innocent, optimistic, and, well, nice, were the mid-sixties.

Wisely the Hollies do not attempt to re-create their hits, some of the neatest tunes of 20 to reach their hits. years ago dressed up in the latest styles by musicians who need us but no longer care about anything but having a good time. 200d time.

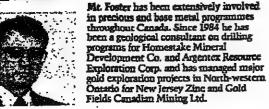
ADVERTISEMENT-

GAL GALVESTON RESOURCES LTD.

announce the appointment of Chet Idziszek as President of Vancouver based Galveston Explorations, and Mr. James R. Foster as Exploration Manager. Murray Pezim, Chairman of Galveston Resources Ltd., is pleased to



Mr. Idziszek has extensive expertise through 16 years with Canadian precious and base metal exploration companies. He previously served as Canadian exploration manager for New Jersey Zinc Exploration and most recently as Canadian manager of new projects for the Gold Fields Mining



Galveston Explorations Ltd., is the exploration ann of Galveston Resources Ltd., and other Pexim resource companies that have extensive holdings under development in Wawa and Hemlo, Ontario; Casa Berardi, Quebec; British Columbia, Northwest Territories, and Nevada's Carlin Gold Belt. Trading on the Vancouver and Toronto Exchanges [GAL], Galveston's head office is located at 1550-609 Granville Street, Vancouver, B.C. V7Y 1C6 Canada (604) 687-3303.



After the uncontested and glowing success of La Scala's inaugural Nabucco, controversy was probably inevitable. It duly came with the second new production of the season (a revival of John Cox's production of Zauberflöts followed the Verdi opening). This was a staging of Richard Strauss's Salome by the American director Robert (Bob) Wilson, best known for lenge of the Dance of the Seven Veils, Wilson seems to have suffered a failure of fantasy. The inventions—a winged youth mispended on a wire. flapping frame-like wings; a red devil on a trolley; a Noah-like bearded was a bit smaller than life, but acceptable. The Italian critics were Marif 65 the conductor

Kent Nagano, but by the third performance he seemed to have taken the measure of the house and gained the support of the Scala orchestra. The opening old man-looked weak, comscenes were muted, without bite or cutting edge; but the Dance was thrilling, and the finale tense and spine-chilling. Musically, this Salome was on a good, if not unforgettable level. frenzy of the score. But, even with this lacuna, Wilson's vision of the opera remains in the mind. The division of the performance between music and staging had

Bob Wilson's Salome/La Scala, Milan

But the music was only half of the evening. At times it was almost literally half: the singers collected on a small platform jutting from stage right, while Wilson's mimes and Korean master drummers to scenery occupied the rest of the available space and one of the Salomes, costumed as Alice in Wonderland, remained mostly on a bridge over the other side tour Britain Four Korean master drumof the orchestra pit. Most of the time, Wilson (abetted by the costume-designer Gianni Vercostame-designer Glaim versace) created haunting, evocative stage-pictures. They were obviously not intended to "act out" or flustrate the text, but

rather to add to it, expand it, perhaps symbolise it. Is there a bit of Alice in Wilde's Salome, or is there a bit of Salome in

mers will be touring Britain on the Arts Council's Contemporary Music Network opening at the Logan Hall, Bedford Way, London on Wednesday February 18, as part of an 11 date tour.
The name of the group Samul Nori literally means "the play of four things." Here it refers to four musicians playing and

LONDON

Royal Opera, Covent Garden: Der Ros-enkavalier, in John Schlesinger's fussy production, returns with an at-tractive cast – Felicity Lott, Ann

Murray, Barbara Bonney, Hans Sot-in - and Bernard Haitink as conduc-

tor. Last performance of Lucia di Lammermoor, in which June Ander-son and Alfredo Kraus provide im-

pressive exceptions to the general rule of mediocrity, (240 1065). English National Opera, Coliseum: the new production of Tosca, which Jon-

athan Miller has updated to 1944, has Josephine Barstow in the title role and Jan-Latham-Koenig conducting. The Queen of Spades, one of the more controversial of David Pountney's ENO productions, re-

turns in impressive form, led by Al-an Woodrow, Janice Cairns, and Sarah Walker as an unforgettable

WEST GERMANY

Berlin, Deutsche Oper: Die Hochzeit des Figaro has fine interpretations by Pilar Lorengar, Carol Malone and Wolfgang Brendel. Der flie-gende Holländer has Janis Martin, Gerd Brenneis and Robert Hale. Ar-

iadne auf Naxos, will be conducted by Heinrich Hollreiser. Otello has a

particulary strong cast with Pilar Lorengar, Kaja Bosria, Franco Boni-solli and David Griffith. Zar und Zinmermann rounds off the week.

Hamburg, Staatsoper: Don Carlos stars Linda Piech, Stefania Toczy-ska, Kurt Moll, Giacomo Aragall

iess (836 3161).

Awards for non-artists Nominations are invited for the National Art Collections Awards, created by the National Art Collections Fund and sponsored by Slough Estate, with the aim of acknowledging achievements by individuals in the visual arts, other than in the creation of a work of art. The scheme, which carries a first prize of up to £5,000, is

Also Wilson did not constrict

Also Wilson did not constrict the opera's meaning. This was not one of those à thèse productions where everything is made to prove a point (e.g. Wagner was a fascist, capitalist, etc.). Here the spectator could, if he liked, let his own imagination follow Wilson's. Or, if he dis-

liked, he could reject the whole

thing and join in the boos at the end. Though many took

advantage of this option. I felt

they were denying themselves an enriching experience.

aimed at unsung toilers in the arts world, in such areas as conservation and restoration, museum architecture and dis-

Stravinsky Plus/Barbican Hall

David Murray

The second main concert in be warned that they are the the London Symphony's Stra-vinsky festival went off fortis-simo on Sunday. Gennadi Rozh-panels of Petrushka the LSO panels of Petrushka the LSO tuttis were an indiscriminate destvensky chose to conduct not only the full 1911 version of Petrushka (as far as I could Dophnis without prejudice to pitch—it was a pity not to have Stravinsky's rapt little cantata from the same year, Zvezdoliki,

The aims of "Stravinsky plus" do not, however, include exploration of less-known Stravinsky. The real point seems to be exploring what a highly intelligent Russian conductor makes of Stravinsky pieces which are bread-and-butter music in the West, but until not long ago were anathema in the Soviet. In Petrushka Rozhdest-vensky didn't disappoint, but the LSO rather often did. They had an evening strewn with undisguised fluffs: the hit-or-miss brass, in particular, made one think back regretfully to the Birmingham Symphony's gleam-ing execution of the music last a bit of Alice in Wilde's Salome, or is there a bit of Salome in Alice? Such questions run through the viewer's mind as he kept at least one eye on the Such questions on the viewer's mind as he kept at least one eye on the Such questions run through the viewer's mind as he kept at least one eye on the Such questions run through the viewer's mind as he kept at least one eye on the Such questions run through the viewer's mind as he kept at least one eye on the Such questions run through the viewer's mind as he will be presented by the Prince of Wales on June 3.

welter of sound, where the CBSO under Simon Rattle had Petrushka (as far as I could guess: the programme-book, unfestivalishly, didn't tell us) and Rorhdestvensky reading lost Ravel's second Daphnis Suite with chorus in full cry, but between them Prokostev's pugnacions First Piano Concerta. There was never any threatennacions First Piano Concerta, ing sharp edge, and except for that lot I think only Prokostev's meant to knock his audience's ears back; we could have the main sections were comformed with some sober relief, fortably relaxed. Compensation Since the London Symphony came in the conductor's close sympathy with dramatic detail: it is unusual to have the property of the property of the conductor's close sympathy with dramatic detail: it is unusual to have the property of detail: It is unusual to have the puppets' fortunes so expressively traced, and the human side of the score was much enriched. A fine principal flute helped, as also—quite beautifully—in the "Pan and Syrinx" episode of Daphnis.

In the 20-year-old Prokofiev's tooth-rattling Concerto the planist was Viktoria Postnikova (Madame Rozhdestvensky), and as always she was astonishing. One thinks of her as a lyrically revealing planist par excellence. Here she was savage and steely (steely-fingered too), hard and propulsive: intuition says that young Prokonev must have per-formed the piece with just such uncompromising fury. She and Rozhdestvensky intensified the effect of calculated brutal in-sult by making no pretence of amouth links between sections each new, metallic invention was flung down like an unfriendly trump card. I was persuaded that that was just how Prokofiev's personal revolt ald be re-enacted.

Arts Guide appears each Friday.

Music/Monday. Opera and Ballet/Tuesday. Thesiss/Wildness day. Exhibitions/Trusseley. A selective guide to all the Arts

has Walter Raffeiner in the title role. Le Nozze di Figaro is a joint project between Hamburg and Salzburg – Mozarteum. Otello brings Wladinari Atlantow, Kostas Paskalis and Julia Varady together. Also Katja Kabanowa (35 H 51). Frankfurt, Opera: Die Walkure is revived with a new cast led by Lia Frey-Rabine, Helena Doese, Sandra Walker and Wolfgang Probst. Louis Quilleo is receating his much Opera and Ballet

(2 55 21). fünchen, Bayerische Staatsoper: Fi-

delio is well cast with Gwyneth Jones, Julie Kaufmann and Rainer

Goldberg, Aida, sung in Italian, ica-tures Bruna Baglioni, Julia Varady.

Lando Bartolini and Juan Pons. La-

la is a well done Jean-Pierre Ponnelle production. Also in the reper-tory: Madame Butterfly (2 18 51).

ITALY

Milan, Testro alla Scala: Flavio Testi's

new opera Riccardo III conducted by Roberto Abbado and directed by

by Roberto Abbado and directed by Virginio Puecher, with scenery and costumes by Pasquale Grossi; three ballets by George Balanchine; Zeffrielli's production of Otello, conducted by Carlos Kleiber, with Placido Domingo in the title role. Mirella Freni sings Desdemona and Renato Bruson, Lago. (80 91 26).

Roma, Teatro dell'Opera: Florence Teatro Commale's production of

Teatro Comunale's production of Carmen conducted by Jacques Dela-

cote and directed by Silvia Cassini

with Elena Obratova, Juse Carre-res and Silvano Carroli; L'Italiana in Algeri conducted by Alessandro Si-ciliani and directed by Jean-Pierre Ponnelle. The cast includes Lucia

(46 17 55). Trieste: Teatro Comunale Giuseppe Verdi: Hary Janos by Kodaly (new Italian translation by Giorgio Presburger) conducted by Tamas Pal and directed by Laszlo Vamos.

(63 19 48). Gala evening (Tue) at the Paris Opera: Elektra, conducted by Seiji Ozawa with Hildegard Behrens as Elektra Quilico is repeating his much praised performance in the title role in Falstaff. Hoffmanns Erzählungen and Christa Ludwig as Clytemnes-tra, followed by a Vienna 1900 Soi-

rée et Souper to chamber music ac-companiment. Evening Dress. Paris Opéra (4283 5750).

Baland Potit and Ballet National de Marselle present The Blue Angel at the Palais des Sports, Porte de Ver-seilles (4828 4018).

sulles (422 (010).

Sellets Van Dantzig/Belanchine conducted by Lothar Zagkosek. Van Dantzig's choreography of Sans Armes, Citoyens, to Berlioz' music, is followed by symphony in three movements by Stravinsky in Balan-chine's choreography. Paris Opera.

tantsoper: Cav and Pag, conducted by Bareza with Cotrubas and Vickers; Attila conducted by Mackerras with Chiarra, Ghiaurov, Cappuccilli; Die Fledermaus conducted by Neuhold with Dernesch, Lind, Goettling, Welkt, Dar Fliegende Hollander conducted by Schneider with Gessendorf, Lilova, Estes; Rigoletto conducted by Boncompagni.

(51 444/2655).

Oktober: Ein Walzertraum conducted by Schenk; Die Zauberflöte conducted by Bibl; Die Caardasfürstin conducted by Bibl; Das Land des ucted by Bibl (51 444/

January 30—Feb 5

Seiropelitan Opera (Opera House): The week features La Clemenza di Tito conducted by James Levine in Jean-Pierre Pounelle's production with Carol Vaness, Gail Robinson, Tatiana Troyanos, David Rendall and Julien Robbins; and Tannhäuser conducted by James Levine in Ot-to Schenk's production with Jessye Norman, Eva Randova, Richard Cassilly and Jan-Hendrick Rooter-ing, Lincoln Center (382 6000).

WASHINGTON

Washington Opera (Terrace): Monde-verdi's Coronation of Poppea direct-ed by Christopher Alden and con-ducted by Nicholas McGegan puts Nero's Rome in a contemporary hig-business setting with Emily Golden, Rodney Hardesty and Will Roy. The week includes Strauss's Wiener Blut starring Sheryi Woods in Zack Brown's 1980 production Don Pas-cale in a new production by Douglas gale in a new production by Douglas Wager conducted by Cal Stewart Kellogg with Francois Loup in the title role, Pamela South as Norina and Gran Wilson as Ernesto. Kennady Center (254 9895).

pan's best-known performers take park in this 30th Anniversary of the Association of Classical Dance. National Theatre (Thur). Tokyo Metropolitan All-Japanese Arts Festival. (533 8455).

Saleroom/Antony Thorncroft

Furniture takes wing

Americans have been buying she was aged 11. their native art, from paintings to weathervanes, very enthu-

the upholstery on the chair is

A more remarkable price was
modern. What the buyer, the the £59,806 for a combined

feet, which are very rare. only recently surfaced. Five by Bugatti to find a buyer.

There might be a deathly side chairs from the same suite hush most days in the main made £139,262 in 1972, and a auction rooms of Sotheby's and sixth, discovered in 1982, went Christies' in London as they for £184,564 in that year. The keep to their new policy of history and rarity, as well as holding fewer but higger auctions. However fine art sales are becausing interpationally

No more so than in New York where last week Sotheby's sold Americana for £9,269,205.

Another record in the same auction was the £123,081 paid for a sampler, the work of sold Americana for £9,269,205. Eliza Waterman in 1788 when

Christie's could not match these prices in its auction of siastically in recent years, and 20th century decorative art at prices have reached extra-ordinary heights. Perhaps the on Sunday. It totalled £1,158,491. ordinary heights. Perhaps the on Sunday. It totalled £1,158,491. but with 32 per cent unsold. £1,758,312 (\$2.75m) paid on The top price of £119,612 was Saturday for a chair, making it the most expensive item of Rodin in 1882 and made by his furniture ever sold at auction. To defy reason even more all Mathias Ginsbach, in mahogany.

New York dealer, Leigh Keno, standing lamp and display was paying over three times the cabinet made by Ruhlmann: it pre-sale estimate for was an was six times its estimate. A excellent provenance. The low table designed by the chair was made for General architect Mies van der Rohe in John Cadwalader, the richest 1929 for the Barcelona World man in Philadelphia, in 1770 by Exposition went for £57,414. It Thomas Affleck. The bills sur- was made from chromed metal vive. The wing chair comes and plate glass. Another table from the most famous set ever to far exceed expectations was produced in the United States, a low coffee table of oak owing much of its fame to the veneer, mahogany and wrought fact that it has "hairy paw" iron, which sold for £35,884. The eet, which are very rare. main disappointment was the This particular chair has failure of a bronze of a tiger

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Tuesday February 3 1987

Leadership at the BBC

fearless programmes. The mutual incompatibility of the two requirements are a built-in source of strain.

Fortunately, we are entering a new phase, where there is no more call for a "national" broadcaster than for a "national" newspaper. It was always extremely undesirable that one newspaper should ever have been regarded as the that one newspaper should ever have been regarded as the official voice of Britain. The arrival of many competing voices, which left the reader to find the approach he found most congenial, did nothing but good to journalism. Similarly, now that consumer choice has been augmented by more radio frequencies, decoder boxes, cable and satellite, the broadcasting market is acquiring more of the competitive characteristics of publishing and journalism. And a good thing too for those who value freedom of speech, and cultural and artistic diversity. find the approach he found most

Long transition

Indexation of the licence fee provides the BBC with an opportunity to think shead it never had before. Plans for subscription, now being examined by consultants for the Home Office, would provide the BBC with a way of reaching out to customers directly and of loosening still further its dependence on government. Greater access for small independent producers also provides new opportunities on provides new opportunities on both the creative and the cost-reducing side, which the right sort of director general would relish. Nor is it too early to think of establishing the Public Service Broadcasting Council (PSBC) recommended

Of course there will be a long transition between the present duopoly and the electronic pub-Peacock; supplemented by the professional, the PSBC. In the meanwhile, a be appointed to director general will have to tread with sensitivity, making governors.

MANY OF the troubles at the sure that the BBC does not just BBC arise from the fact that go for ratings, but provides the both the corporation and its more demanding programmes, critics have seen it in a quite which might otherwise not be unreal role. On the one hand it made. And until there is as has been expected to be the much choice in broadcasting as "voice of Britain"; on the among newspapers, books and other it has been expected to magazines, political balance provide radical, innovative and cannot be neglected. Even here entrepreneurial flair will be a better guide than cultivation of the political corridors.

To lead the corporation into this competitive, but exciting, world a broadcasting entrepreneur is required who relishes the challenge. The last sort of person we need is a senior statesman passionately committed to the cosy, but vanishing duopoly of the BBC and ITV, for which the establishment is already lobbying. In lishment is already lobbying. In their different ways both Mr Jeremy Isaacs, who has pioneered a new sort of broadcasting based on independents at Channel Four, and Mr Michael Grade, who has shown a fiair for attracting the viewers at the BBC, would be more suitable than most of the other candidates.

As many of Mr Alasdair Milne's problems arose from the excessive range of detailed responsibilities falling upon one man, it is tempting to say that the post of director general should be split between a busi-ness administrator and a programme planner, just as most newspapers have managing directors distinct from editors.

Wits will reply that the post is already split between Mr Marmaduke Hussey and Lord Barnett. But realistically, the business and editorial planning at the BBC in a period of change is likely to be more intertwined than in newspapers; and a single DG with more back-up and delegation than Mr Milne enjoyed is required.

A more important problem is to end the tensions and distrust between the BBC governors and the BBC professional staff. The two-tier structure, in which the governors are both responsible for the corporation and expected to act in a judicial capacity, does not work. As a step towards something more preferences and the next polymerical capacity. professional, the new DG should be appointed to the first vacancy

SWISS BANKING

A hole in the secret heart

By David Lascelles

corrupt dictators?

The discreet institutions which line the streets of Zurich, Geneva and Basle have long enjoyed a rather ambiguous reputation in the public mind, at least outside Switzerland. On least outside Switzerland. On the one hand, they are among the few banking institutions left in the world which qualify for the top class AAA credit rating. But the darker side of Swiss banking has been exposed in the past 12 months by a string of financial and political scandals, which have reinforced the view that if someone has a Swiss bank account, it can only be for a shady reason.

a shady reason.

The overthrow of President
Marcos in the Philippines and
of President Duvalier of Haitt,
Irangate, the Dennis Levine insider trading case and the Guinness affair have opened up trails
which led the end to Swiss which led, in the end, to Swiss banks. The evidence has been doubly damaging to Swiss bank-ing insofar as it has both tarnished its image and encouraged the belief that the country's famed banking secrecy, though enshrined in law, is not what it used to be.

it used to be.

This picture of Swiss banking
—riddled, as the saying goes, as
a plece of Swiss cheese — is
one that bankers naturally reject. "The secrecy law plays its
part. But that is not the only
reason why people do business
with us," says Dr Franz Lutolf,
general manager of the Swiss
Bank Corporation, the country's
second largest bank and the one
with the most international with the most international business. "There is also the economic and political strength of Switzerland, the strength of Swiss banks and the quality of

the service."
Nevertheless, the constant battering of bed publicity is gradually reshaping attitudes among those once elusive gnomes. The vary fact that wise bankers are now ready to speak out on matters of secrety is an indication of a more defensive stance. Just as important, it is also prompting moves by the banks and the Berne Government to repair the damage by, for example, com-batting insider trading and

"PEOPLE WHO make investments need

advice" proclaim the advertisements sui-side Bank Leu's headquarters in Zurich—

an ironic comment on the bank's involve-

ment in the Guinness affair.

Bank Leu (pronounced Loy) is under investigation by the Federal Banking Commission for buying 41m Guinness shares last year under an agreement whereby Guinness

was to indemnify it against any loss.

Apart from causing further embarramment to the Swiss banking industry, the affair is another blow to Leu, which is Switzerland's sixth largest bank Last year,

Swiss Banks: strong money laundering, and tighten-stable—or havens for tax-cheats, insider dealers and check on their customers. The most sensitive question "The referendum never laid for the Swiss is whether bankthe ghost of secrecy," says a

ing secrecy, the cornerstone of Zurich banker. the business, remains as strong as it was. The secure reputation of a Swiss bank account suffered its biggest blow last year when the Berne Governyear when the Berne Govern-ment blocked the deposits of ex-president Marcos to stop him transferring them out of the country. Normally, the Government can only act in response to a formal request for judicial assistance from a foreign country, and then only in cases of "double criminality" — where the account holder appears to have committed an offence which is criminal in both the requesting country

But in the Marcos case, the Government was under strong foreign pressure to prevent the Marcoses spiriting away their millions, so it bypassed the normal processes and drew on special powers. In placating world opinion, however, Berne also drew the anger of Swiss bankers, who denounced the move as unnecessary and inappropriate.

When, a few months later, President Duvalier was overthrown, the Haitian Government managed to make a formal request to block his accounts, so the usual procedures were complied with.

In the Levine insider trading case, Bank Leu's Bahamas sub-sidiary supplied information to Commission about the accounts of Mr Levine in order to protect its US business. Procedurally, this involved a lifting of Bahamian rather than Swiss banking secrecy. However, the Swiss have generally proved readler to co-operate with the US authorities because of the importance to them of the American market.

The Marcos case thus re-mains an extreme and isolated one, but it is also a precedent which Swiss bankers would prefer not to have to live with. Al-though Swiss voters rejected in that it remains a live issue. "The referendum never laid

The Swiss emphasise that the foundation of banking secrecy -article 47 of the banking law -remains intact and that there is no intention to change it. Number of accounts are still available. What is happening, though, is that many of the measures which Switzerland is having to adopt to protect the good name of its banking will limit the banks' scope. Mr Andreas Hubschmid, a lawyer at the Swiss Bankers Association, asks in an ironic tone: "What is the problem with Swiss banking secrecy? Is it that it exists, or that it is now full of holes?"

Later this year, for example, the Swiss Parliament is expected to enact a law that will make insider trading a criminal act, thereby adding it to the crimes for which foreign countries can seek judicial assistance in prising open Swiss bank accounts. The law has been broadly drafted and should be quite tough. A simi-lar measure to outlaw money laundering is also being pre-pared by the Ministry of Justice and Polles.

This will still leave tax evasion as a big exception—it is not a crime in Switzerland. But even that may be on the way. "Swiss public opinion is moving in that direction. I think we shall have a tax evasion law within ten years," predicts Mr Hans Baer, manager of the state ing chairman of Bank Julius Beer, the Zurich private bank. The controversy over Swiss banking happens to coincide with a review of the banks' voluntary good conduct code, and this is adding fuel to the debate about the limits of secrecy. The five-year-old code requires banks to exercise " due diligence in establishing who the true beneficiaries of their accounts are. But it has one big loophole: clients can conceal their identity by opening accounts through a lawyer. The Federal Benking Com-

The Federal Banking Com-mission, the independent super-visory authority, has caused a rough talk is seen by bankers

it was implicated in the insider trading case of Dennis Levine, the US investment banker, and in 1982 its deputy manager was sen-

and in 1982 its deputy manager was sentenced to prison by the Italian authorities for aiding illegal currency transfers.

The official investigation into Leu is being made on the basis of article 3 of the Swiss Banking Act, which requires that bank managements "enjoy a good reputation and thereby assure the proper conduct of business operation." Another article (23) says that "where the Banking Commission receives knowledge of violations of the law or other irregularities, it will issue the

HOW BANK LEU SAILED STRAIGHT INTO A SEA OF TROUBLES

stir by calling for an end to this practice on the grounds that banks must know with

whom they are dealing, Bankers and lawyers are still considering their response, but their initial reaction has been homile. Lawyers say the abolition of Form B accounts, as they are called, would inter-fere with their relationships with their clients, Bankers fear they would lose business. Both groups, though, are in a bit of a dilemma: while the abolition of Form B may well frighten off clients, depositors who seek the double protection of bank and lawyer secrecy are also likely to be the most question-

But the commission is taking a firm line and says that if the banks cannot agree to change the code, it will issue a regulation to get rid of Form B. Whether it would actually escalate a confrontation with

sary decisions to restore the rightful

Let has denied that it has done anything

wrong, and it claims the transactions with Guinness were normal. However, according to efficial sources, Leu could face disciplinary

conditions and remove the abuses."

as a sign of political pressure on it to take action, both to restore the good name of Swiss banking and to satisfy Swiss public opinion, which has never felt particularly warmly about banks despite the contribution they make to the country's Another instance of the com-

mission's readiness to act is its announcement of an investigation into Bank Leu—involved in the Guinness affair—even though there is no apparent breach of Swiss law. According to Mr Bruno Boesch, of the London office of Frortep Rengality of the Swiss law. gil, the Swiss law firm specialis-ing in banks, the commission is making increasing use of article 3 of the banking law, which requires banks to conduct themselves in a proper fashion. This catch-all clause, he says, allows the authorities to look into unusual transactions if they feel Switzerland's image as an international financial centre is being harmed. Quite how much damage the

bad publicity has caused to Swiss banking is hard to gauge because, despite everything, it remains highly secretive. Bankers deny that they have lost deposits, but some of them are prepared to admit that they are getting less new business than before. "We are losing market share," says one of them — probably to Luxembourg and the Channel Islands, though he profitable accounts. But though Swiss bankers

appear to be on the defensive, foreign observers of the scene for pragmatism. If there is a greater willingness among Swiss bankers to co-operate and compromise in clear-cut cases of wrongdoing, it is because they recognise that it is in their business interests to be so. Secrecy, after all, remains inviolate for clients who have nothing to fear from the law. While honest depositors may not be the wealthiest, they are probably the more reliable.

The issue, officials say, is not one of secrecy since Guinness's new management has given its consent to Leu's co-operation

has given its consent to Len's co-operation with the authorities. The specific issue has to do with possible imprudence and also, more generally, with the damage the affair has done to the image of Swise banking, and the need for the authorities to be seen

to be taking action to repair it. The most

खानस entorios

20.5100

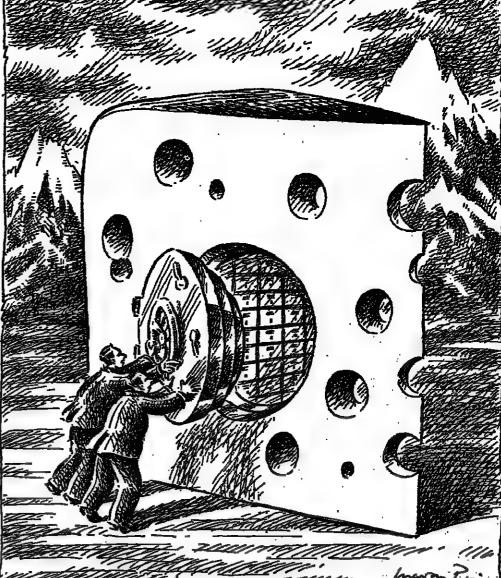
AND THE

日本本語 マイ・・

jet palici

The state of the s

ARCH SHOW



Authoritarian

IF THE French police had details. It is not as if Mr Campraided the offices of a broadbell is some obscure journalist; casting company in Parls over he is known to the security the weekend, a widespread British reaction would have been: how typically French—it would not happen here. Yet it does. It happened in Glasgow where the Special Branch raided the offices of the BBC and took away dozens of boxes of broadcasting material.

The first comment on that is that there is a great deal of humbug in the belief that Britain is considerably freer than elsewhere. Freedom is continually under threat of erosion by the authorities, whether central or local, and it is naive of the British to pretend that they have got the balance right between indi-vidual liberty and responsible government. What happened in Glasgow will have been watched with a mixture of sorrow and amazement in other democracles, It will have been watched with some delight in such countries as South Africa and the Soviet Union.

The second comment is that it is all of a pattern. The Glas-gow raids may have been the most spectacular instance so far, but there appears to be a general rule. It is that when-ever the British authorities get into a tizzy over security matters, they tend to make them-selves look ridiculous. There is, it seems, a streak of authori-tarianism in British government which is only slightly re-deemed by the bungling in-competence with which it is

Blunderbuss approach

propagate that the Zircon soy

It need not be like that. It satellite was a marginal affair. is perfectly possible to conOtherwise the programme struct a case for an intelligence would never have been allowed service, perhaps especially to be commissioned in the first nowadays given the prevalence place: it would have been allowed to be commissioned in the first nowadays given the prevalence. Take the present case. It is probable that the Zircon soy place: it would have been kept completely secret, like the previous government's modernis-ation of the Polaris weapons system. The Russians must have been expected to have known about it already and besides spy satellites have been recognised in arms control agreements as a national means of verification.

decided that something was amiss, they went in with a blunderbuss. The BBC was dissuaded from showing the programme, but it was apparently forgotten that Mr Duncan Campbell, its presenter, also Comm worked for the New Statesman, grant which promptly printed the today.

experts in their subject with a talent for exposure. So the authorities look foolish whichever way you view it: either they should have stopped the programme at the start, or they should have dealt with it more

No contact

ment is trying to ban through the Australian courts. No such action was taken against Mr Chapman Pincher, the journa-list who published much the with Mr Wright four years ago. Indeed it seems that the Govern ment specifically allowed Pincher version to go ahead though there is some confusion about how far Sir Michael Havers, the Attorney-General was consulted, as Sir Robert Armstrong, the Cabinet Secre-tary, had embarrassingly to admit in the court proceedings. Both cases strongly suggest that the various arms of the British Government do not know what the others are doing. One would expect at the very least that there would be frequent contact between Sir Michael and Sir Robert who, among his other duties, has some responsi-bility for the security services That appears not to be so. The result is that whenever matters go wrong, the very idea of a security service tends to become a laughing stock and the Gov-ernment over-reacts in an attempt to mend its fences.

service, perhaps especially nowadays given the prevalence of terrorism. Even the strongest advocates of a free-dom of information act admit that there will always have to be some official secrets. Apart from incompetence, much of the trouble seems to lie in an inability to classify what is really secret and what is not, with at the end of the day the balance tilting too far in favour Yet when the authorities or overrestriction and over-ecided that something was reaction. If there are more absurdities like the Zircon case, the demand for a public inquiry into the handling of security will become irresistible. The Speaker of the House of Commons was quite right to grant an emergency debate for

There are some similarities with the case of Mr Peter Wright, the former MIS agent whose book the British Govern-

The great exodus from the White House continues. The resignation of Mitch Daniels one of President Reagan's top political advisers—is just the latest in a stream of departures which has demoralised staff.

Every day

a new joke

In recent weeks Larry Speakes, the President's chief spokesman, has announced his spokesman, has amounted his resignation to join Merrili Lynch on Wall Street. Alfred Kingon, cabinet secretary, is to become US ambassador to the European Community. And the National Security Council has been purged by its new minister Frank Carlucci.

Other resignations reported imminent are Patrick Buchanan, director of communications and top speech writer, and James Miller, Reagan's budget director. The loss of Daniels-who

joined as recently as September 1985—is regarded as par-ticularly serious. It reinforces the impression that Donald Regan, the abrasive chief of



"and the next programme comes direct from the headthe

t of the first of the second of the first of

Men and Matters

staff at the White House, is con-solidating power by continuing to oust critics and rivals. It was Daniels who, six weeks ago, advised Regan that he should leave the White House because his presence was damaging the President.

In the end, however, it is Daniels who has jumped ship. Few gave Regan a hope of surviving the Iran scandal. But the President, ever reluctant to sack one of his aides, has confinued to support him in the face of opposition ranging from Nancy Reagan to virtually the whole of the Washington press corps.

Regan, who counts among his tasks the need to find a new joke for the President each day, has if anything strengthened his position.

Four score

The Director General's hot seat at the BBC is not the only top job in British broadcasting that needs to be filled. Edmund Dell retires as chairman of Channel 4 in the summer and there is no sign at all that he will be appointed for a further

Ex-Labour minister Dell upset his former Labour colleague Lord Thomson by arguing voci-ferously for Channel 4 to have ferously for Channel 4 to have the right to sell its own airtime, as recommended by the Peacock report. The trouble is Channel 4 is a subsidiary of the IBA and the Authority is resolutely against such a policy.

The search for a new chairman is, however, not going all that well. Sir Peter Parker, former British Rail chairman, said "no." after a pause for

said "no," after a pause for

British broadcasting—Paul Fox, managing director of Yorkshire

Fox is being mentioned for both the BBC and Channel 4 jobs but would be unlikely to accept either. Certainly he has no intention of sending a letter to the BBC with Ref D.G. on the envelope. He was asked previously to apply and politely declined. The Yorkshire Television share options will probably keep him out of the running for Channel 4.

Lost boys

For a company noted for drug research, the Wellcome Foundation is positively butter-fingered when it comes to its research directors. It has just lost another one — Dr Ronnie Cresswell, group head of research, who has been poached by an unnamed company.

A 53-year-old Scot whose native accent is heavily overlaid by 20 years in the US, Cresswell took over as research head in 1985 as successor to the Nobel prizewinner Sir John Vane, who had gone back to academic life. During Cresswell's tenure Wellcome also lost the research head of its US subsidiary, poached by Glaxo.

Wellcome will not say where Cresswell is off to, since his new employer is not yet ready to make itself known. It would appear to be a commercial company, in pharmaceuticals but not as its main business and not American. Nor is it ICL.

Into the breach steps Dr Trevor Jones, presently director of development for the group. Now in his late 40s, Jones started off as a lecturer in People are now reaching for started off as a lecturer in the name everybody thinks of pharmacology at Nottingham when trying to fill a top job in University, moved into industry

with the local drug company, Boots, and has been with Wellcome for 10 years.

High among his priorities will come the Wellcome research programme on Aids, where the group is developing a possible treatment. It is a position of some delicacy position of some delicacy politically; but then Jones is already on the Medicines Com-mission, the main body which gives advice on drugs to the DHSS.

Contrary-wise

If you had to invent the ideal New York link for James Capel, consistent winner of the UK equity research stakes in recent years, it would be very like Sanford C. Bernstein. And Bernstein, the last independent Wall Street research house with real claims to be in the top 20, has duly signed an agreement that gives Capel world distribution for Bernstein's research products.

Bernstein is fond of taking up unfashionable investment causes, and has a reputation for picking the right things to be contrary about. It was a smart move to be bullish of US automotive stocks before Iacocca became a household name, and not a bad idea to be pushing oil stocks last year, when West Texas Intermediate was bumping along at \$10 a harrel.

On the other hand, contrary thinking has sometimes got Bernstein into a little local difficulty when long-term forecasts take too long to come right; quarterly performance measurement and five-year views do not always mix. But Bernstein is hopeful that investors may be getting tired of the short term: "I remember when the horizon was one day: when the horizon was one day; now I think it's gone to three months," he said yesterday.

Last word

Overheard in Harrods: "She would be an awful gossip if she'd any friends to speak of."

Observer

The intelligence to transform engineering worldwide Computer aided design has enhanced the capability of many major engineering and construction companies throughout the world At the forefront of this new technology has been advanced software developmen by CADCentre, world leaders in computer graphics and engineering database. CADCENTRE CADCentre Ltd, High Cross, Madingley Road, Cambridge CB3 0HB, UK Tel (0223) 314848 Telex 81420 Offices in Houston and Hong Kong

to omcial sources, Leu comis face disciplinary action on two possible counts: first, on the meral grounds that it had engaged in actions which it should have repudiated; second, that even if it has broken no Swiss law, it should, as a bank operating internationally, have been aware of the possibility that it was breaking UK law. widely expected outcome is that Leu officials, including Mr Arthur Fuerer—the chairman, who introduced Guinness's business to the bank—will be asked to resign and the bank will be publicly reprimanded. "ALL OF us would love to see the fall of Basra," a rich businessman in Tehran remarked last week. "This is comething all of us want, whether we used to be for the regime or against it, because deep door against." it, because deep down we're all

Market Street

In recent weeks Iranians have come to believe that they are finally winning the Gulf war. People, who were tired of the war and cynical about it a year or two ago have suddenlybecome interested.

Iraq's bombing of civilian targets over the past month and the Iranian's sense that victory is in prospect, have been major factors in creating a new mood. Tehran has mainly escaped attack, but Esfahan, the holy city of Qom, Bakhtaran (formerly Kermanshah) and other cities have been bombed several times a day and the death toll has risen above 2,000. The effect has been the opposite of what the Iraqis intended.

Iranians have been angered by the civilian deaths and there is surprisingly widespread agreement that the Iraqis must be made to pay. The Iranians are determined to punish Saddam Hussein, Iraq's President, who launched the war in 1980 not, Iranians believe, because he felt threatened by subversion from Tehran, but in subversion from Tehran, but in an attempt to establish himself as a dominant figure in the Middle East by winning a quick victory over a chaotic post-Shab

Whether Iranian determination would survive a military setback or another long period of stalemate is open to question. Most Iranians are tired of the war and desperately want to believe it will soon be over.

The economic cost of the war enormous. However, the impact has been reduced some-what by Saddam Hussein's recent decision to shift the emphasis of the bombings from economic targets such as power stations and reflueries to the cities. Power cuts in Tehran have fallen as a result to only two hours a day from eight

terry has designed as the second of the seco

To Large

- 1 14 20 de 12

are the mile

Table Select

te de meen

1 5 8 77 078 0f 15:

s we bur e

willingtes a

rest to more

7) 第 数数数

to mg. 2 4 5 %

mienere tige . 20er 20g

for cuero it.

e weaktive t

n Let's NEXT

he specification

ie Crarti in: abingense m:

· 05 - 14 (5) urberites # 5

repair it Di

en fatt Leich

erer-be de

יים אונים או איי

n-un and bi

e to

2000129

hours in December. Raids on Iran's crude oil export facilities are in any case limited in impact. There is ample spare capacity at the main Iranian terminal on Kharg Island,

Similarly Iraqi attacks on the crude oil loading systems near the entrance of the Gulf are easily repaired. The main targets in the raids are storage tankers; given the current glut there is no shortage of ships to replace damaged vessels. In the last two months, Iraq has been unable to prevent Iran from exporting almost its full Organi-sation of Petroleum Exporting

Countries' quota of Lim b/d.

The fall in the price of oil and the demands of waging war on Iraq, rather than Iraqi raids themselves, are primarily reThe Gulf War

Iran faces prospect of a troubled peace

By Michael Field



Rafsanjani; represents the centre-left in a government dominated by faction fighting

sponsible for the country's acute shortage of foreign exchange. Foreign diplomats believe that slightly more than half this year's estimated foreign earnings of \$7bn (£4.58bn) are being spent to support domestic war production and to pay for

All non-military imported items are in short supply. Some factories have had to close for lack of spares and raw materials. The public is affected not so much by a general food shortage as by a lack of certain items. Cheese and butter are almost unavailable and milk is in short

Despite the new mood of optimism in Tehran, the strains of the war could still cause Iranian morate to crack. Before the launch of their recent offen-sive, some Iranians were heard to argue that the conflict had become pointless—Iran had recovered the territory lost in the early days of the war, and Saddam Hussein was known to want peace. Whether such arguments would move the religious and revolutionary authorities, who are totally committed to the war is doubtful. mitted to the war, is doubtful. Since Iran drove the Iraqis from its territory in 1982 it has always seemed more likely that Iraq will eventually crack, even

though it may take years rather than months. Iran has a population of almost 50m, compared with Iran's 16m, its troops are highly motivated end the front line is much closer to the Iraniheeriland than to that of Iran. Although Iraq's equipment is much more sophisticated than Iran's, it lacks the will to go on the offensive. It has long been

accepted in western military circles that Baghdad cannot win Iran's hope is that one of its offensives will cause the Iraqi army to turn on Saddam Hussein. Alternatively they hope that the fall of Basra, Iraq's second city, could lead to economic collapse and the possibility of a military and civilian revolt. At the least Iran will ensist on the removal of

Party from power. Despite the fears of western governments and the traditional regimes of the Arab peninsula, most reliable political observers on Tehran say that the Iranian Government will not attack the Gulf states and Saudi Arabia if it wins the war. There is no appetite in Tehran for further campaigns.

None the less, a victorious

Saddam Hussein and his Baath

Iran would have powerful influence in the Middle East and would be an inspiration to Islamic fundamentalists every-

At home, victory could bring a change in the Government. An end to hostilities would bring domestic problems to the fore. The confusion of govern-ment policy on such issues as land reform and the role of private enterprise, as well as the Government's failure radically to improve the income of the poor are likely to come in for sharp criticism. Eight years after the revolu-tion, Iran has still not decided

what sort of lalamic state it wants to be. The pattern of it: politics is one of manoeuvring factions. On the left is the majority the Cabinet, led by Mir

Hossein Moussavi, the Prime Minister. Behzad Nabavi, Minister of Heavy Industry, who rose to prominence as leader of a hard-line Islamic gang in the street fighting that followed the revolution, and Hojatolislam Koeenina, the Public Prosecutor, who led the students who occupied the US Embassy in 1979-81, are also prominent on the left, which favours more

government control of trade. Slightly left of centre is a group associated with Hojatolislam Rafsanjani, the pragmatic Speaker of Parlia-ment, with whom the US Government recently hoped to deal. A little further towards the centre are Ayatollah Khamenel, the President. Mohsin Rafigdoost, Minister of Revolutionary Guards, and about half the parliamentary

deputies.
On the right are several factions associated with conservative ayatollahs, principally Azari Qomi, the publisher of the newspaper Ressalat, and Mahdavi Kani, the secretary general of the Tehran Militant Clergy Association. These men favour free enterprise but favour free enterprise but support severe restrictions on social freedoms for religious

Ayatollah Khomeini, the Imam—the leader of the Revo-lution—and his designated successor, Ayatollah Montazeri, are above the factions, and the politicians fight for their support. In fact, Ayatollah Khomeini often seems more a follower than a leader. Since 1979 he has often allowed the the policies of whichever faction has prevailed.

This faction fighting with the checks and balances written into Iran's constitution, creates immobility. The Government may propose legislation only to find it amended by parliament and thrown out altogether by the conservative ayatollahs in the Council of Guardians.

Despite these problems, the regime appears much more confident than in the early years after the revolution. It is more relaxed in handling its people—there are fewer sudden crackdowns on, for example, women showing too much hair below their scarves
Nonetheless, the middle class

which largely survived the revolution, remains concerned about the future. Will the country become a conservative Islamic state, a left-wing one, or something in between? Such uncentainty discourages investment despite recent government moves to encourage industry and exports of simple manufac-tured goods.

The succession to Ayatollah Rhomeini gives further cause for concern. While it is taken for granted that Ayatollah Montazeri will succeed as Imam, he is likely to be even more a figurehead than Khomeini. The most likely outcome is that the factional power struggle will intensity even further. But it is the war itself which

support. In fact, Ayatollah Until it ends, political and Khomeini often seems more a economic instability must follower than a leader. Since remain a fact of life; and the 1979 he has often allowed the revolution to take its own Islamic Republic will remain course, endorsing after the fact

movement, an industry which controls £137bn in assets and

(muddled) world

UK building societies

Oh! Brave, new

and savings markets appears to be suffering from an identity This is not so much a practical problem of day to day conduct as a deeper, philosophical point. It is best illustrated by the fact that societies cannot articulate their own objectives.

Most businesses, however complex their corporate strategies, know that they exist primarily to make profits. Build-Other societies agree. But, if ing societies are different. Creatures of the 18th and 19th centuries, they are mutual in-stitutions, do not have share-holders in the accepted sense of the word and do not distribute

The far-reaching 1986 Building Societies Act has made it essential for societies to know exactly what their purpose is. Societies are now allowed to diversify from their traditional savings and home loans busisavings and home loans businesses into a wide range of new banking, housing and investment services. Without a guiding principle their diversification strategies will lack coherence and there will be no yardstick against which to judge how well they are doing.

It was after the Second World War, when societies started expanding beyond their home bases, losing their local

home bases, losing their local contacts, that the identity crisis

became acute.
Shareholders (building society jargon for depositors) exerted no discipline, so societies' manager were free to do what they liked. Unsurprisingly, they went for growth.

This growth ethic reached its apogee in the 1970s. Societies went on spending sprees, building up nationwide branch networks and naving the authorities. works and paying out millions of pounds on advertising campaigns to try to expand their customer bases. But little thought was given to how profitable or beneficial such expansion would be to existing

set in as banks started moving into the home loans and savings markets with a vengeance.
Societies found they could no
longer grow so quickly unless
they allowed their profitability
to fall.

As Mr Tim Melville-Ross,

dominates Britain's home loans The new act will lead to a

fresh spate of competition, making attention to profits even more important. "In order to do what we want to do, we have to have financial strength" says Mr Jim Birrell, operations director of the Halifax Building Society, the UK's largest.

they need profit to achieve some further objective, what is that objective?

One reply is that profit is a goal in itself. Mr Peter Birch, chief executive of the Abbey

Hugo Dixon asks whether profitability or philanthropy should be the societies' goal

National Building Society, the country's second largest, seemed to be taking this position when he said recently that. nesses societies should enter, the aim must first and foremost be to make a profit."

But since societies lack shareholders to whom they can shareholders to whom they can
distribute their profits, it is
difficult to see how profit can
be a goal in its own right.
Another answer, given by Mr
Birrell, is that "profits are
there to enable expansion."
But this begs the question "why
expansion?"
Yet another factor is that

Yet another factor is that societies have a social responsi-bility and to fulfill it efficiently, they need a minimum level of profits. This is the thinking behind several societies' plans to help regenerate the inner cities and revive the rented

housing market.

As Mr Melville-Ross says, societies should be philanthropic, not materialistic, institutions. That would be an adequate answer to the identity crisis if he did not then add It is not clear which. that societies have to invest in social infrastructure to protect their markets for the long run.

This view of twin objectives is a philosophical muddle. It can set sharp objectives cannot help a building society their day-to-day planning.

chief executive of the Nation-wide Building Society, the UK's third largest, puts it: "Growth for growth's sake was not a suitable objective,"

determine its course of action when the profit motive conflicts with philanthropy.

Some societies, for example, are now trying to devise finan-

are now trying to devise finan-cial packages to help revive the rented housing sector. However, they stress that they are not part of the welfare state and cannot make profits out of rented housing without a government subsidy.

If profit were to be made the prime objective, societies would first have to shed their mutual status and become public companies. The need to satisfy dividend-hungry shareholders would then give them every incentive to maximise profits.

Under the new act, they will be able to become public com-panies from 1988. Unfor-tunately, the mechanics of doing this are the subject of further confusion. Who will get the proceeds of a flotation: today's depositors or tomorrow's shareholders?

This question, a version of which so exercised the TSB in which so exercised the TSB in the run-up to its £1.5bn flota-tion last year, has no obvious answer: neither group has done anything to build up societies' net worth—previous genera-tions of depositors, who are long since dead, did that. But it is important to know, as who ever gets the proceeds stands to make a massive windfall profit. The industry as a whole would fetch something in the region of £10on on the open

The second way out of the muddle would make philan-thropy the prime objective and profit a subservient objective. This could best be done by leaving societies mutual status untouched.

However, as everybody has a different idea about how to belp other people, somebody would have to be given the job of deciding. Should it be the managers, the depositors or a third party such as the Buildthird party such as the Building Societies Commission, whose main responsibility is to ensure they are prudently run. But whether societies incline towards profit or philanthropy, they will have to decide between the two before they

Investment monitoring

From Mr P. Haines Sir,-If the accusation, made by Mr D. Allison (January 20), ie instified, that fund managers are interested in short term profits at the expense of long term investment, then I am as

saddened as he is. I must, however, take issue with his assertion that this is the fault of the performance. monitoring industry for failing to create a proper yardstick against which to compare UK pension fund managers. His criticisms seem to be based on three factors, namely the period of assessment, the use of market values, and no measurement of

risk.
It is undoubtedly true that investment managers are re-placed on a more frequent basis now than they were 20 years ago, but as this is almost certainly as a result of trustees taking a much more active and positive interest in the assets of their pension funds, surely this must be a beneficial development A manager should be allowed at least five years in which to demonstrate his investment ability, and there is clearly a need for all investment consultants to stress the necessity of assessing performance over a sufficient time-frame. One wonders, however. whether some investment managers have not themselves contributed to this concentration on short term performance: rarely does an investment manager produce an economic forecast based on more than the

next 12 months. If five years is considered insufficient, then it must be asked how long is considered necessary to allow an investment manager to lose money for a pension fund, relative to his peers, before trustees take action? If they feel that a longer period is necessary, can investment managers demonstrate that they would actually incorporate such a time-frame into their decision making

Mr Allison refers to market as "ephemeral." Ephemeral or not, market values do have the virtue of objectivity. Methods which would value stocks by for example, discounting future income would depend crucially ou assumptions made by the performance monitor himself: would be such a high degree of subjectivity be acceptable to the investment management industry as a whole? Furthermore, although the "value" of an individual security may not be adequately reflected by its market value, such distortions seen how a small change in a have relatively little impact when performance is assessed over a five year period. The portfolio being assessed con-sists of a large number of stocks and constocks, and comparison is against only be positive, whereas a capimanagers in a similar situation | tal return can be either positive all of whom would suffer more or negative, especially in real

Letters to the Editor

out some assessment of the risk inherent within a portfolio. Many investment managers recognise that performance statistics are there to help trustees and to enhance the elationship betwen trustees and the investment manager and do not view them with such hosti-lity. No investment manager worth his salt prefers to keep from trustees the facts about investment performance, and thus protect himself and his colleagues from the summerities. colleagues from the competitive elements which they are, in general, keen to encourage upon the rest of the UK economy.

Paul Haines, Noble Lowndes Investment Monitoring.
PO Box 144, Norfolk House, Wellesley Road, Croydon.

Measures of performance From the Finance Officer,

Nuffield Foundation Sir,-Mr Allison (January 20)

rightly protests at institutional investors preoccupation with short-term performance mea-To my mind the existing

measurement techniques over-emphasise changes in capital value in the short term. The measurement of "total return" (income plus capital appreciation of less capital depreciation) involves combining two qualita-tively different elements of return. Only in retrospect and in the event of liquidation or sale and distribution of the profits are capital returns actually the same as income returns. Whereas in prospect the income compenent is usually predictable, the capital component is less predictable and fluctuates widely because it is a reflection in capital terms of changes in information and perceptions about future income flow. Inevitably it tends to move by large amounts which are a multiple of expected income changes profit forecast can produce a capital fluctuation which exceeds several years' income. Another aspect of the difference is that an income return can

general distortion in market levels.

I agree that performance monitoring is not complete without some assessment of the risk is that income returns are about this year's money, whereas capitel fluctuations are about future

> Perhaps ten years. Is this then the fallacy in the total return concept, when used for short periods of a year or less? Since institutions can not normally liquidate all their capi-tal returns and leave the markets altogether, they are likely to encounter obverse fluctuations in future periods. These, if simply added to income flows, may obscure the long-term tar-

years' money, extending over

get of income growth which underpins capital growth. How could capital fluctuations be discounted? If it is accepted that capital fluctuations relate partly to future periods, logic might suggest a form of spreading of capital fluctuations over longer periods, perhaps by some form of moving average. But it would be foolish to suggest a particular basis until it becomes evident that others are sym-pathetic to this purpose, which is to reduce the emphasis in performance measurement of short-term chance elements.

R. C. Marshall. 28 Bedford Square, WG1.

Not for widows or orphans

From Mr A. Murdoch Sir, -- There has recently grown up a habit in takeovers especially where they are con-tested, which is giving me some cause for concern. This prac-tice is the unsolicited telephone call to small shareholders trying to persuade them either to accept or to reject a bid.

Several clients have been approached on the telephone with regard to such shares. Those who have talked to me about this have, possibly by chance, all been female. They have all been rung up during the evening usually between eight o'clock and nine o'clock at night and they have all, in fact, been small shareholders. One lady of 92 was telephoned at 8.30 pm. Her shareholding consists of 2,130 shares which I had bought for her on September 20 last year. Another lady in her eighties, whose shareholding is held as a trustee for her late husband, was tele- W. A. P. Manser, phoned even later at night and 6 Portugal Street, WC2.

she only has 3,000 shares which have been held for many years.

It seems to me wholly undesign able that companies, or their merchant bank advisers, should approach these sort of shareholders inevitably causing worry and anxiety. This must be the case, particularly when it is unlikely that such a size of shareholding will affect the out-come of the bid.

A. W. Murdoch, Cobbold Boach & Co. Caipe House, St Thomas Street, Winchester, Hants.

How not to teach mathematics

Sir,—It is not marketing skills, as suggested by Michael Dixon (January 30) that mathe-matics teachers need. It is articulacy. People are either numerate

or literate: very few are both.
Mathematicians are by definition numerate. Teachers have
verbal skills, or they have nothing. Consequently, very few mathematicians can teach. I have an undimmed memory of ing a garbled utterance on the ing a garbled utterance on the concept of infinity by drawing two parallel lines on the blackboard and propounding that infinity was where they met. When his class objected, with mild indignation, that they plainly met neither at infinity nor anywhere else, he consum mated his case to his own satisfaction by pointing out that infinity = 0.

Perhaps it might on the whole be better, at least for primary and lower secondary school purposes, to seek out good expositors and imbue them with the elements of mathe matics, for onward transmis sion. In the upper reaches of school and university the students will be numerate anyway, and they and their lec-turers will be able to under-stand one another — without using English at all, as it often

The above will explain why mathematicians and, in this econometric age, economists, often seem to be beyond ordinary intellectual grasp. It is not that they are necessarily arcane; it is that they are unintelligible. They are unhappily unable to speak our language. This also explains the great reputation and influence of ome mathematicians and economists, the Einsteins, Hoyles, Keyneses and Friedmans. They are that rare combination of numeracy and literacy. They may not even be good mathematicians and economists, for all we know. But they are commanding because they are understood. It also explains why economists are derided by

"Which computer company is teaching over 150 British Universities and Colleges a thing or two?" Zenith Data Systems is the leading supplier of compatible PCs to British higher education.
Our unique "Computers in Education" programme and "Student Scheme" are attracting such Stand 919 influential institutions as the Oxford, Cambridge, London, Manchester and Open universities, all of whom are supplied and supported by our own British company and European factory. In the USA, Zenith Data Systems is already the largest supplier of compatible PCs for education. Now, Zenith products are available here, too, through a national network of authorised computer dealers and systems houses. To examine the computers that are winning first class honours - talk to Zenith! For a colour broadsheet, post the coupon or call 0800 444124 The world's leading manufacturer of PC compatibles ENTEN data systems systems the quiet giant's state of the system of the



FINANCIAL TIMES

Tuesday February 3 1987



US-Bonn divisions begin to show

A STRING of differences between Washington and Bonn over political and economic developments is starting to test the generally good working relationship between the US and West German governments. Mr Helmut Kohl, the West Ger-

man Chancellor, re-elected with a reduced majority in the January 25 elections, frequently faced opposition criticism during the run-up to the poll that he was following too closely a pro-US line.

Mr Kohl's standard, somewhat apologetic, rejoinder in recent months has been to say that he is no "vassal" of America. As pres-sures build up in a number of areas from trade policy to Bonn's position over two German hostages held in Lebanon, the chances are that Mr Kohl will have to repeat the excuse a little less often in coming months.

Reflecting West Germany's pecu-liar position at the seismic fault-line between East and West, as well as the sometimes strained US role as affair. guarantor of the country's security, there is nothing unusual about peri-odic ups and downs in the relation-ship between the two allies.

In contrast to the personal antipathy between his predecessor, Mr Helmut Schmidt, and Mr Jimmy Carter, Mr Kohl prides himself on a staunch - although not necessarily very profound - understanding with sident Ronald Reagan.

What is new, however, about the latest transatiantic tensions is that the two men, could hold up the ex-they stretch across a wide variety of tradition to the US of Mr Mothey stretch across a wide variety of topics - and touch on a new-found hammed Hamadel, a Lebanese ar- cerned over West Germany's prac-

formation technology group, and Electronic Data Systems (EDS) one of the world's largest software and

computer services companies, are

expected to announce today a new

joint venture company to provide

computer integrated systems for

The new venture will aim to be-

come an important force in the rap-

idly growing market for computer

integrated manufacturing systems.

It also represents an important move for both Olivetti, which has

manufacturing companies.

REY ALAN FRIEDMAN IN MILAN AND DAVID THOMAS IN LONDON

OLIVETTI, the leading Italian in-formation technology group, and and EDS, a subsidiary of General

David Marsh looks at the strains being placed on West Germany's relationship with the US by widely differing approaches to the problems of terrorism and trade.

er in 1985.

of Mr Hamadei

ready lost some of its ability to give

a moral lead over terrorism, offi-

cials here say that Washington is

showing "sensitivity," in not press-ing Bonn for immediate extradition

The Bonn Government has im-

posed a news blackout over the hos-

tage drama. But over an only slightly less explosive issue - trade policy

- the Americans themselves have

Mr Richard Burt, the US Ambas-

sador to Bonn, has twice during the last 10 days sounded off fierce open

criticism over what he labels Euro-

pean protectionism in aerospace

ents and agriculture. Apart from hitting out at Euro-

pean subsidies over the Airbus - of which Bonn remains a strong politi-

surprised some German officials by

appearing to attack German weap-

Olivetti expanding its computer ser-

vicing activities beyond the realm

of the personal computer, which it

However, Olivetti does not intend

to begin making mainframes as a result of the deal. Under the deal,

corporate customers of the new

The venture is part of Olivetti's overall strategy of forming a limited number of key international ac-

venture will not be restricted to

cal supporter - Mr Burt ha

ons procurement policies.

been making the most noise.

self-assertiveness in Germany rested in Frankfurt last month for above all in areas of trade and high the hijacking of an American airlin-

According to both US and German officials, strains are coming to the surface for two main reasons: the massive American trade deficit and the weakening dollar, and the diplomatic overtures made towards Europe by Mr Mikhail Gorbachev,

Allied to this, the Reagan Administration has generally lost credibil-ity as a result of the morass in Washington over the Iran weapons

In particular, this episode re-vealed the limits of America's own advertised tough policy over dealing with international terrorism. It may yet have an effect in influencing Bonn in favour of a softer line in trying to obtain the release of two company officials seized by guerrillas in Beirut last month.

One option which seems not to have been closed is that West Germany, to allow time to bargain free

Motors of the US, which is keen to

build up its presence outside the

The new company, to be called Integrated Systems Management and to be based in Milan, will offer

tailor-made mainframe and min-

icomputer systems which compati-

ble telecommunications links main-

Besides helping to solve Olivetti's software problems, it will also mean

ly to manufacturing customers.

Olivetti in computer venture with GM unit

tice of building combat aircraft and weapoury in collaboration with other European countries rather than ordering material from the US.

Although the hilateral trade balance in military equipment remains strongly in the US's favour, the Germen deficit is now being steadily reduced, officials say.

US officials are also worried that the campaign of diplomatic seduc-tion towards the West undertaken by Mr Gorbachev could tempt West Germany to take a less strict line in its Ostpolitik, for instance over exports of sensitive technology to

Bonn-Moscow relations were strained at the end of last year by Mr Kohl's comparison of Mr Gorba-chev with Josef Goebbels, the Nazi propaganda chief. But unease among Washington hawks over German policies is likely to have been strengthened by the weekend speech by Mr Hans-Dietrich Genscher, the Foreign Minister, in which he called for Mr Gorbachev's new policy style to be taken serious-

Reflecting on the problems faced by President Reagan over the Iran-gate affair, one close adviser to Mr Kohl said, "Gorbachev is now on the sunny side." And, underlining ahead for the US over the dollar, he added: "The Americans still do no understand that the fall of the dol-

umes and reach new markets. Last

month, Olivetti announced a joint

venture with Canon of Japan to

For EDS, the new venture is an

opportunity to build up its opera-tions first in Italy, where it has little presence, and then in the rest

of Europe by using Olivetti's exten-

The new venture is to begin op-

erating in Italy but then hopes to



Bank **America** to sell Schwab

BANKAMERICA, the strugglin US West Coast banking giant which is trying to fend off an unwelcome takeover approach from First Interstate, has agreed to sell its profi-table Charles Schwab discount brokerage operation back to Mr Schwab, the company's founder, for

The sale is the latest sign of the major restructuring underway at BankAmerica. It follows the recent sale of the group's highly profitable Italian banking subsidiary to Deutsche Bank for \$603m and that of the group's consumer trust business to Wells Fargo for \$100m. In a separate announcement yesterday, Bank of America said it sold its UK mortgage subsidiary to Bank of Ireland for £25m (\$37.5m).

CL Acquisition Corporation, new company formed by a group of investors led by the 48-year-old Mr Schwab, is buying America's big-gest discount broker for \$175m in cash, and \$55m of 9 per cent junior

BankAmerica, which bought Charles Schwab in 1983 for \$57m, has the right to receive 15 per cent of the appreciation in value of the common equity of the new company over eight years. BankAmerica has also assigned to CL a \$50m note evidencing an advance to Schwab, in exchange for \$50m 10 per cent senior subordinated debentures.

the troubled banking group and BankAmerica expects to report a pre-tax gain of \$130m on the trans-

group to make some hands gains on its assets and bolster its capital ratios, analysts continue to be concerned about the quality of the group's loan portfolio and the above average credit losses. Mr Tom Clausen, BankAmerica's

chief executive, said that the group had shifted its strategy to conce trate its resources on its banking operations. The gain from the Schwab sale will strengthen our capital position, thus enhancing our banking services capabilities," said Mr Clausen yesterday.

Mr Schwah is known to have

been increasingly restive at Bank-America and resigned from the board last year following growing concern at the group's mounting fi nancial problems. He says that the repurchase of his company will enable it to expand the scope of its services offered to customers beyoud those permitted by more restrictive banking laws which governed BankAmerica.

However, Schwab will continue to maintain ties with BankAmerica David Lascelles in London writes: Bank of Ireland's purchase of Bank of America's UK mortgage subsidiary will greatly increase its UK presence and underline its policy of international diversification BankAmerica Finance is estimat ed to have earned £5.4m last year Its total assets are put at £850m and net assets at £7m. It specialises in residential mortgages, mainly to

the upper end of the market among higher income groups and in the south-east of the UK.

Volcker urges slower growth

Group of Five industrial countries diminished. The five have ruled out a meeting this weekend and there are indications that their next talks will not be until the April meeting of the International Monetary Fund.

an apparent improvement in the US trade position, but yesterday a gen-

THE LEX COLUMN

The beginning of the end

Markets are supposed to discount future developments, but there is something a touch ridiculous in the behaviour of the market in Glaxo shares at present. Yesterday, the price was up by the best part of £1 to £13.77 in anticipation – it was being said – of an investor presentation that is due to take place in three weeks' time.

The right price for Glazo may well be nearer £20, but the way it is getting there smacks of the Indian Rope Trick. And the upward movement in the London equity market -breaking new ground again yester-day - seems so dogged as to be cause for some suspicion.

T-Line/Taddale

Taddale Investments was once an extremely speculative stock even by the speculative standards of the OTC market. Despite the disgrace and probable death of Michael Carlton, former deputy chairman, and an apparently successful re-bore, the name Taddale must still be burdened with heaps of negative goodwill. Which, at first sight, makes it a surprising subject for a bid from the aspirant conglomerate Thomion T-Line.

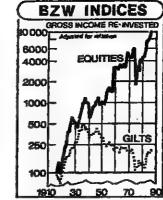
There is also some frightening symmetry between TTL's agreed of-fer and Taddale's disastrous bid for Branon, and the fact that Mr Carlton and the T-Line team at different times shared a taste for the same shell company. But enthusiasm for the new-look TTL seems strong enough to ride such spooks.

Most of Taddale's businesses are

now profitable and should produce close to £2m pre-tax this year, adding some earnings to complement TTL's previous asset-rich acquisition of Longton. Conglomerates on multiples of 40 are, moreover, in business to buy conglomerates on multiples of 12.

Nevertheless investors in TTL must be praying that they inherit no worse than the visible skeleton of a £1.7m claim from a Swiss bank,

The similarity between business and chess has rarely been so clearly illustrated as by Rio Tinto-Zinc's long range manoeuvring in the oil sector. The news that RTZ has spent about £12m bringing its stake in Lasmo up to 29.9 per cent is not as such surprising; but the timing is odd. Having made the judgment a



year ago to use Lasmo as the cut-ting edge of its long term strategy RTZ could have acquired these shares at half the current price of 1889 during the oil price nedir last

The obvious conclusion being drawn yesterday was that RTZ had put a floor of about 180p under the Lasmo shares. On the terms of the original deal with Lasmo, RTZ may not bid until December. Under Stock Exchange rules, RTZ cannot bid at lower than any acquisition price made during the previous 12 months. So RTZ is not so much putting a floor imder the price, as giving itself the ability to make a low bid quickly if the oil sector turns

very nasty again next year. It may not be accidental that the day before RTZ's latest finesse, Enterprise oil shareholders voted through the deal giving ICI a 25 per cent stake in their company. With RTZ's grip on Enterprise loosened somewhat, it does no harm to tighten its hold on the bird in the hand.

Having bought into Lasmo at 230p, and sold out of enterprise at 150p, RTZ has taken a book loss on tive of RTZ, and there are almost two years to go before Enterprise's golden share is redeemed. The opening of this game is over, but the end-game is still some way off.

Long equities

need look no further than the UK Tokyo, Unless, that is

or negative, and worst at times when inflation is taking off. Then short-term homes like Treasury bills are usually the least bad in-

This leads to the conclusion that gilts are a poor deal, underperforming equity bull markets, and less defensive than cash in the downturns. The yield gap has generally been insufficient to even up the returns, casting some historical doubt on whether the current 6% per cent dif-

top-rate taxpayer would have made

3 per cent per annum more than in-

flation. In recent years the perfor-

mance has been even more remar-

Starting at the low point in the market, the end of 1974, the annual

return has been 17.5 per cent, and

over the last five years has ex-ceeded 20 per cent. By contrast the real return on gilt-edged has been

paltry at 0.9 per cent a year since

1918, and 5.7 per cent since 1974. While this sort of study may have

little predictive value, lessons can

surely be drawn. Reinvesting a ris-

ing stream of income from shares

has been a surefire way to make

money. In capital terms the equity market has merely quintupled since

1918, and has yet to regain the level

With the help of gross dividends it has multiplied more than 100-

fold. A more detailed look at indi-

vidual years suggests that equities

are not the great inflation hedge

they are made out to be. Indeed

they do best when inflation is low

US auction

ference is wide enough.

This week's auction of the US 150p, RTZ has taken a book loss on long bond is becoming the most its middle-game strategy. But a pear is a short time in the perspection of PTZ and there are already the attitude of the Japanese funds, which have a difficult judgment to make, balancing the currency ero-sion of their capital against the like-ly coupon. Even if yields stay above 7½ per cent until the auction is completed, the bargain may not look too exciting on strict investment grounds. But there is a strategic An annual real return of 7.3 per reason why the Japenese may yet cent over a sustained period should decide not to sit this one out. Anysatisfy all but the most demanding thing that makes the dollar slide investor. But where can such a faster downhill - such as a bondsplendid investment be found? One auction boycott - is bad news for equity market, for that is the return of Finance were to were decide that since December 1918, as computed the dollar is best saved by being by Barclays de Zoete Wedd (BZW). rushed into an unsustainable over-In the calculation, gross income shoot.

Orași di

\$50 pt -

3800

State of

ran ya

State State

\$200 July

Application of the

BRN-DAY DEET :

÷.-.

US may remove telephone company curbs

By William Hall in New York

THE US Department of Justice has recommended lifting the bulk of the restrictions on the business activities of the seven regional Bell telephone companies, permitting them to manufacture telephone equipment, provide information services and enter the long-distance telephone market.

The Justice Department's sweeping recommendations come three years after the break up of AT&T, which had dominated the US telephone industry for more than 100 years. They reflect the US Administration's efforts to inject more competition into the local telephone system and help the regional Bell operating companies to begin competing more forcibly in international markets. As part of the 1982 court agree-

ment paving the way for the break up of AT&T, the Bell operating companies, which have a monopoly on local telephone services, were not allowed to compete with their former parent in the long distance telephone market. They were also barred from providing information services, manufacturing telephone equipment and entering into any non-telecommunications business.

The regional Bell telephone companies were quick to welcome the Justice Department's report, but AT&T reacted angrily to the recom-mendations. Mr Charles Marshall, AT&T's vice chairman, said that three years ago the Justice Department broke up the finest telecom munications business in the world the Bell system - so it could put in place new rules for the industry. Now that same Justice Departme wants to change the rules again and risk recreating the chaos that characterised the industry just a few

Bank of England chief issues warning on takeover controls

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

MR Robin Leigh-Pemberton, Governor of the Bank of England, last night issued his sternest warning yet to the City of London to respect the UK Takeover Code or risk the imposition of statutory controls. "If that is the price that we have to pay for effective enforcement and sanctions, then pay it we shall," he

Mr Leigh-Pemberton, who was ddressing the Overseas Bankers Club banquet at the Guildball, said he still hoped that it would be possible to strengthen the Takeover Pan-

administers the Code, by non-statutory means. But he warned that the City would have to show its willing and constructive support to head off legislative action.

It was wrong, he said to imagine

The Bank is currently engaged in discussions with the panel and other City institutions to find ways of egthening its role and improv-

Morgan Grenfell recasts management

appointments "draw on our great

reserves of talent and initiative,"

and will mean that "a wider range

of directors will be actively involved

in the day to day management of

committee whose chairman will

have a seat on the executive com-

son, who is in charge of asset man-

ly appointed head of corporate fi-

nance in succession to Mr Walsh,

Mr Christopher Whittington, in

charge of debt securities and bank-

The other members of the execu

uity subsidiary.

ent, Mr Richard Webb, recent-

Each of Morgan's four main busi-

a new management structure as it tended to bring younger blood into began the task of repairing the damage caused by the Guinness after the senior ranks. Sir Peter said the

be vested in a new executive committee consisting of directors responsible for all of Morgan's main lines of business, under the chairmanship of Sir Peter Carey, the former civil servant who has assumed control of the bank.

the appointment of a new chief executive to replace Mr Christopher Reeves who resigned two weeks ago, along with Mr Graham Walsh, the head of the corporate finance department. Morgan still hopes to appoint a new chief executive, and Sir Peter told staff yesterday that

The 10-man executive committee

ei, the City's voluntary body which

govenor said last night that he be-lieved the self-regulatory bodies be-ing set up under the Securities and Investments Board might also have a role to play. Mr Leigh-Pemberton also warned

MORGAN GRENFELL, the British closely concerned with the group's man and Mr Jon Perry, all group dimerchant bank, yesterday installed day-to-day operations. This is in-rectors, and Mr John Rawlings and Top authority in the group is to

But the changes do not include

this was "not a role I purport to fill."

that US houses with their aggressive and legalistic approach, were the only ones who did not accept the authority of non-statutory bodies. British houses had not been "uniformly compliant" in this regard. But if the panel's status was that 1987 could throw up more diffi-changed, it would lose the qualities culties with Third World debt.

vice chairman. Morgan is also setting up a new supervisory committee which will be responsible "for preseving the in-tegrity of the bank." Its job will be to ensure that Morgan does not suffer a repeat of the Guinness affair

where its observance of the regula-

tions has been under question. This committee will be chaired by Mr ness streams will have an operating Whittington. The effect of all these changes is mittee. These are Mr Michael Dobintended to be that Morgan will have stronger, more direct ma ment and more formalised controls. This marks a radical shift from the management philosophy of Mr Reeves who believed that merchant banking was basically a creative business that thrived uning, and Mr John Holmes, who runs Morgan Grenfell Securities, the eq-

der minimal management control. will include directors from the tive committee are Lord Pennock, press the stock market where Morboard level as well as directors Sir John Sparrow, Mr Blaise Hard-gan's shares fell 4p to close at 417p.

NEWS REVIEW

Test system for Harrier

BUSINESS

A Ministry of Defence con ract worth £im has been awarded to the Navigation Systems Department of Ferranti Defence Systems to supply AST 1200 avionics test equipment to support the GR5 Harrier aircraft when it enters service with the Royal Air Force. Developed by the department's Bellshill-based Automatic Test Equipment Group, AST 1200 is a ruggedised and compact man-portable test system designed specifically for use on the flight line or in the field with forward deployed weapon systems.

Eskmeals link

Ferranti Industrial Electronics, Communication Systems Group, has been awarded a £100,000 contract for the provision of a Type 14000 broadband microwave link system for MoD Eskmeals.

The system will be supplied on subcontract to Racal Marine Radar who will pro-vide the complete range safety / monitoring

Briefly . . .

Ferranti has opened a new office in Crystal City, Washington DC, to provide a central focus for the marketing of tactical data links in the USA and Canada. The Port Authority of Jamaica and the Mersey Docks and Harbour Company have placed orders worth £1m with Ferranti Container Handling to refurbish container handling equipment.

ADVERTISEMENT =

£44m double success A prototype version of the Ferranti Type 2050 sonar has

gone to sea six months ahead of schedule for sea trials in the Royal Navy's frigate HMS Jupiter. 2050 is a hull-mounted active sonar from which FMS 21,

the Ferranti export sonar system currently under consideration by the Hellenic Navy for its new frigate programme, is directly derived. Following the trials, which confirmed confidence in the overall validity of the design,

Ferranti Computer Systems, Cheadle Heath Division, a \$20m contract to build a sonars. This brings the order book for Type 2050 to £44m and Ferranti will build 17 operayears. They will be fitted in the Royal Navy's latest Anti-Submarine Warfare frigates, the Type 23s, enabling them to counter the threat from submarines expected in he

submarines expected to be operating in the 1990s.

computer is designed to serve

• HOSPITALS Delphi-Phoenix leads

nostic services computer system from Wessex Regional Health Authority is the big-gest of its kind ever ordered for the NHS. This latest order confirms Ferranti Computer Systems, Wythenshawe Division, as the country's market leader for the supply of non-administrative healthcare computing and Wessex RHA as the leading authority for the purchase of computers which directly serves patient's health needs.
The all-British DelphiPhoenix Diagnostic Services

At £1.3m the order for a Ferranti Delphi-Phoenix diageight clinical disciplines covering all five major hospitals in the Southampton District Health Area. The system will cover the departments of Clinical Chemistry, Haematology. Chemistry, Haematology. Blood Transfusion, Microbiology, Immunology, Viro-logy, Histopathology and logy, Histopathology and Cytology with provision for a sub-system for Radiology, a possible future integration. puter systems currently on order or installed in the UK cover 23 districts and include 127 departments serving 48



World Weather



Airbus rebuff for US

Continued from Page 1

ble if the disoute was not resolved. while over more than 1,000 US-built among other things, it could incorporate barriers to European aero-

take such a bitter turn. Neither to be the source of a trade action," Mr Pattie said that neither on the

rate a hidden subsidy, amounted to

to play down fears that events could

At their briefing, the US officials declined to speculate on the likely nature of such retalistion, although The UK especially found it "slightly bizzare" that the US should be crying foul over Airbus competition. British Airways had recently contracted to purchase Boeing 747 jets worth \$2.6bn and side is locked into any particular the British Government had opted course of action ... We don't want it for the Boeing Airborne Warning and Control System (AWACS) for

the RAF last year. The US is to seek speedy clarifiquestion of subsidies nor on market cation of the aircraft rules within erally bearish view of the currendistortion did Europe have a case to the framework of the Gatt, but Mr cy's prospects remerged. \$47.5hn over the past 15 years, cass the matter in that forum.

and the second of the second o

Continued from Page 1 pects for an early meeting of the

The dollar had risen strongly at the end of last week in response to

answer. US Defence contracts to its Pattie said that this would inevi-aerospace industry, which incorpo-tably take a long time, although the don at DM 1.8075, 2.45 piennigs low-European side was prepared to dis- er than on Friday, while sterling



SECTION II – COMPANIES AND MARKETS

FINANCIAL TIMES

Tuesday February 3 1987



Diamond Shamrock sets up takeover defences

2000

helt of the or

200 mm

our deal

The state of the s

1.455 = 2-25

at the grad

Q 新疆设施。

47 2377769

And the second of

11 12

a Maria and

ning tie 📥

34 m 37m;

The second second

Argan sayan

5 554 E

in facts died

i de l'access 190 <u>000</u> 000 Market 1981

12... = 5.4 ±. 1.15 = 5.224

tete to profit 第

o ber tiki

40 2002

704 607:5

tion

DIAMOND SHAMROCK yesterday York Stock Exchange and pay an- Mr Charles L. Blackburn, who

Mr William Bricker, Diamond's Mr William Bricker, Diamond's 54-year old chief executive who will three directors to the Diamond Shamrock's shares fell three directors to the Diamond by \$\frac{3}{2}\$ to \$14\frac{3}{2}\$ in early trading yesturing, described yesterday's an. Shamrock board terday. The Diamond Shamrock board had previously determined steps taken over the last two years to improve the company's competitive position as a pure oil and gas

The main elements of the pack-

 The group's refining and marketing operations with annual sales of one share in the new company, the company's erratic financial per-which will seek a listing on the New formance in recent years.

BY OUR NEW YORK STAFF

US broadcasting and cable TV

offered to buy the company for day.

of Diamond Shamrock beginning in the time of the spin-off.

890bn cubic feet of natural gas, will and inadequate." concentrate on exploration and pro- Texas Eastern, the energy and

\$1,6bn and over 2,000 branded out- hs unveiled a sweeping reorganisalets will be spun off to shareholders within the next 90 days. Diamond will result in the departure of Mr tions which Texas Eastern bought Shamrock shareholders will receive Bricker, who has been blamed for for \$1.04bn in 1984. The company

preferred stock valued at \$7 and 20

National Amusements said that

It intended to finance the offer

announced plans to split itself into nual dividends of 40 cents, for every was brought in from Shell last year, two parts and unveiled a major four Diamond Shamrock shares; has been appointed chief executive management reshuffle in a desper- Diamond Shamrock will begin a of Diamond Shamrock and will sucate effort to escape from an inves- cash tender offer later this week for ceed Mr Bricker as chairman foltor group led by Mr T. Boone Pick- 20m of its shares at \$17 per share. lowing the completion of the spinens, the Texas oilman who has launched a cash tender offer for 18 per cent of the Dallas-based energy professed stock which is convertible into 17.5m shares of common stock relining and marketing company at

Diamond Shamrock's shares fell 140m barrels of oil reserves and that Mr Pickens' offer was "coercive

duction operations and will review gas pipeline group, is to spin-off a its remaining non-oil and gas assets. The company will not pay a sets. The company will not pay a initial public offerring of 12,5m up-In addition, Diamond Shamrock its of Petrolane Partners, a master limited partnership which will own tions which Texas Eastern bought for \$1.04bn in 1984. The company hopes to raise around \$250m from

Communications jumpted by \$3% to \$32 following the news that its man-

deal valuing the company at \$835m.
Heritage is one of the few remaining publicly-held cable TV companies and has been rumoured

as a possible takeover stock for a

predator wanting to enter the fast-growing US cable TV business

The Heritage management team is being helped in its plans by Tele-

cash and \$6 a share of Tele-Commu-

npany private in a \$32-a-share

Arsenal bids \$3bn for Viacom diluted basis.

NATIONAL AMUSEMENTS, a \$2.9bn plan to take the company finance provided by a group of closely held theatre chain group, private last October. The latter had banks led by Bank of America.

yesterday returned to the battle for offered to pay \$37 a share in cash Meanwhile, shares of Heritage

crease from sales of \$156.3m for the fourthe quarter of 1985. Net income for the period was

pared with \$10m, or 32 cents, in the fourth quarter of 1985, a 62 per cent Compaq said its good fourth quar-

its higher performance personal computers, which accounted for 72 per cent of sales in the quarter. Demand for Compaq's latest 32-

Communications, the biggest US cable TV operator. The offer for Heritage consists of \$26 a share in president and chief executive.

tage of high performance personal computers in our product mix," he added.

Export sales more than doubled during 1986, Compaq said, leading ment of plans to establish a 523m manufacturing plant in Scotland that will serve the European mar

form a Singapore subsidiary that will assamble circuit boards, begin-ning in mid-1987. The circuit boards will be shipped to the new Scottish factory the company said. Previous ly, Compaq has manufactured all of

PERSTORP, the Swedish speciality were flat.

Perstorp sales lifted by acquisition

BY SARA WEER, STOCKHOLM CORRESPONDENT

per cent of Vlacom, said that its of-fer reflected a significant increase

It intended to finance.

control of Viacom International, the and a fraction of an exchangeable

group which has been the subject of per cent of the new company. repeated takeover rumours in re-

cent months. It revealed that it had \$2% to \$43% in early trading yester-

Arsenal Holdings, a unit of Natiscal Amusements, disclosed in a shareholders a "much more valu-

filing with the US Securities & Ex- able equity participation in a finan-

change Commission (SEC) that it cially sounder company then un-

had offered to acquire Viacom for der the Viacom offer. Unlike Via-\$44.75 in cash and preferred stock. com's management, National

over the price offered by Viscom with \$400m of cash and Viscom

management, which announced a common stock and \$2.25bn of bank

Arsenal which already owns 19.6 Amusement would not rely on

chemicals and plastics group, re-ported profits (after financial items) company La Bakelite has helped to of SKr 151m (\$23m) for the first four months of its fiscal year, an increase of 21 per cent on the corre- for the mechanical engineering in-

Invoiced sales for the four tec have been partly helped by the months rose 11 per cent to SKr acquisition of the Dutch company 1.402bn compared with SKr 1.267bn Lamac. a year ago, with increased invoicing in all of the business areas except in all of the business areas except Signed a preliminary agreement to Perstorp Components, where sales acquire LTIS, a French manufacture of computer circuit boards.

dustry, while sales at Perstorp Blo-

turer of industrial-grade laminates

Perstorp hopes to strengthen its market position in France and the UK as a result. LTIS manufactures laminates for the electronics indus-try, and Perstorp says the acquisi-tion would provide its electronics division with new technology in mass

COMPAQ

INCOME

Compaq continues to climb

By Louise Kehoe

COMPAQ Computer, the US personal computer manufacturer, re-ported a sharp rise in profits and sales for 1986 and for the fourth

The company's 1986 sales rose 24 per cent form \$503.8m to \$625.2m. Net income was up 61 per cent from \$26.6m, or 90 cents a share in 1985, to \$42.9m, or \$1.33 a share on a fully

Compaq recently issued 6.5m shares in connection with the redemption of convertible subordinat-

Sales for the fourth quarter of 1986 were \$186.9m, a 20 per cent in-

\$16.2m, or 49 cents a share, com-

ter was tied to strong demand for

bit personal computer, the Deskpro 386, exceeded supply throughout the quarter, said Mr Rod Canion,

"We plan to increase the percen

its boards and computers in the US.

MODERN-DAY DEBT BRINGS FRONTIER HISTORY TO A CLOSE

Hudson's Bay to sell 170 remote stores

BY BERNARD SIMON IN TORONTO

tory by selling 170 stores in remote mon and preferred equity in the native and resource communities past year, tightened control over throughout Canada.

Hudson's Bay earlier announced plans to dispose of its London and pasterned equity in the past year, tightened control over capital spending, and is exploring new ways to maximise trading profits from existing businesses.

HUDSON'S BAY CO, the venerable Canadian retail and real estate group, is to sever itself from an important part of North American his-C\$106.4m in the nine months to last
September 30. But interest charges
of more than C\$200m pushed the
company into a net loss of C\$88.2m.

Sales that the transfer of the start and the The group said yesterday that the

total assets.

Owens-Illinois

has reported a modest downturn in profits for the three months to De-

cember 31, mainly because of reduced gains from divestitures and

the adverse impact of tax reform.

Net earnings slipped to \$35.1m, or 58 cents a share, on a primary ba-

sis, from \$41.31M, or 69 cents, a year earlier. Revenues edged up to \$905.9m from \$891.3m. Repeal of

the investment tax credit reduced

earnings by about 10 cents a share

Net profits for the full year were

record \$179.2m, or \$2.96, against

\$156.1m, or \$2.61. Revenues were

flat at \$3.84bn against \$3.67bn. The

1986 earnings include net gains of \$31.9m from sale of assets and net restructuring costs of \$36.2m.

A change in pension accounting

The Ohio-based company, which also has interests in paper-based

packaging products, timber, health care and financial services, has agreed to discuss a \$60-a-share buyout proposed by Kohlberg Kravis Roberts, a Wall Street firm specialising in such transactions.

rules also boosted 1986 profits.

in the latest period.

profits dip

By Our New York Staff OWENS-ILLINOIS, the US glass container maker, which is review-

modestly

Announcing the formation of

DG SECURITIES SERVICES CORPORATION



AN INSTITUTIONAL BROKERAGE FIRM SPECIALIZING IN GERMAN AND OTHER NON-U.S. SECURITIES

DG Securities is a U.S. brokerage firm providing securities brokerage, investment advisory and portfolio management services to institutions seeking to maximize their potential returns by investing in German and other non-U.S. securities.

For more information about DG Securities, call or write:

DG SECURITIES SERVICES CORPORATION 630 Fifth Avenue, New York, NY 10111 (212) 247-3600 Telex: 178905

A subsidiary of DG BANK Deutsche Genossenschaftsbank

FOREIGN GROUPS LIKELY TO SEEK FRENCH ALLIANCES

CGCT carries FFr 500m tag

THE FRENCH Government yester- tions group have been battling to for Compagnie Generale de Constructions Telephoniques (CGCT), ing over control of CGCT, the for-the state public telephone equip-ment maker, to be sold as part of which was nationalised in 1982. the conservative administration's CGCT currently controls about 16 ambitious privatisation pro-

Bids for CGCT will have to be made before March 2 and the Government is expected to take andecision on its choice of candidate company, the international group to take over control of the troubled selected for CGCT is expected to telecommunications group.

The main candidates for CGCT the French telecommunications include AT&T, the US telecommunications equipment maker.

nications group, and its European Moreover, the winner in the partner Philips. Siemens of West CGCT competition will also become Germany, Ericsson of Sweden, and the second source of public switch the Canadian telecommunications equipment to the Direction Gengroup Northern Telecom.

For the past two years, these ma- (DGT), the French telecommunica-

day set a price of FFr 500m (\$83m) gain access to the French public catel, the CGE-controlled telecomtelephone exchange market by takabsorbed assets of ITT. The international telecommuni-

Although under the French Government's privatisation rules no for-eign investor can initially acquire other month before announcing a more than 20 per cent of a state

> Moreover, the winner in the érale De Télécommunications

The first source of the DGT is Almunications group which recently industry. After losing FFr 200m on

cations concerns now bidding for CGCT are expected to seek alliper cent of the French public switch ances with French banking or industrial groups to gain control of the company without breaching the privatisation foreign ownership re-

Among French groups which could be interested in taking part in a consortium to control CGCT are take over management control of Matra, the defence and electronics group which has already acquired CGCT's private telecommunications business, and Jeumont-Schneider. the telecommunications subsidiary of France's private Schneider

sales of FFr 2.76bn in 1985, CGCT is expected to show losses also of about FFr 200m last year.

However, after the restructuring of the company and the sale of its ness to Matra, the company's remaining public telecommunciations activities are reported to be in the black. However, the key interest of CGCT for foreign telecommunciations groups is the access the French company will give them to the French public telecommunica-

tions market A&T and Siemens, backed by their respective governments, have been lobbying intensively to boost group. However, international bid-their chances to gain control of der could also form a controlling CGCT. However, Ericsson and Norconsortium for CGCT with a group them Telecom are both regarded as

MCI suffers quarterly loss after writedown

BY RODERICK ORAM IN NEW YORK

fourth quarter of \$502.5m, because of the cost of a major consolidation of its activities announced last Decents. Revenues rose to \$920.1m

The charges totalled \$584.9m at the pre-tax level compared with December's estimates of \$500m to \$700m. They cover, for example, the writedown of satellite and analog telecommunications equipment which has been superseded by digital technology.

The company, which is the second largest carrier in the US after AT&T, is also streamlining operation and administration staff across the country. The charges were par- the industry watchdogs, that they tially offset by a \$39.1m gain from anti-trust settlements.

Excuding these charges and gains, MCI had an operating loss of

MCI, the struggling US long-distance telecommunications carrier, profits in the previous fourth quarkas reported a net loss for the ter were \$34.6m, or 15 cents a share. although debt retirement costs reduced the final net to \$8.3m, or 4 from \$721.4m even though some re-ceivables were uncollectable.

For the full year, MCI's net op-\$448.4m with debt retirement costs. The year-earlier net operating profit was \$139.6m, or 59 cents, which was cut to \$113.3m, or 49 cents, by similar charges. Revenues grew 41 per cent to \$3.59bn from \$2.54bn.

MCI said it was hurt by frequent predictions by Federal Communications Commission officials, who are would order further cuts in AT&T's charges this year. MCI expects its performance to remain under pres-

Three to merge pulp machinery businesses

BY KEVIN DONE, MORDIC CORRESPONDENT IN STOCKHOLM

ing forest product groups, and Inroup, are to merge their pulp machinery businesses into a new joint venture, which will be one of the world market leaders in the sector.

The new company will be owned equally by the three groups, but management control will be exer-cised by Sunds Defibrator, the SCA engineering subsidiary, and the headquarters for the venture will be in Sundsvall in northern Sweden. The company will have annual sales of about SKr 2.5bn (\$390m) and a workforce of about 2,500.

The main product lines will inchemical and high-yield mechanical

SVENSKA Cellulosa (SCA) of Sweden and United Paper Mills of agreement in principle, and the Finland, two of Scandinavia's lead-venture is subject to approval by the authorities in the US and in

> The new venture will have manufacturing plants in Sweden, Fin-land, the US and Canada and will include the IMPCO division of Ingersoli-Rand in Nashua, New Hampshire, along with SCA's Sunds Defibrator and United Paper Mills' Jylhavaara fibre processing

The first stage of the merger was announced in October last year when Sunds Defibrator took over United Paper Mills' pulp technology operations and the Finnish group took a one-third stake in the equity clude equipment for manufacturing of Sunds Defibrator partly through an issue of new shares and partly pulps, fibreboard and corrugated through the purchase of a small boxboard.

All these Bonds have been sold. This announcement appears as a matter of record only

SNEF

Société Nationale des Chemins de fer Français

US \$ 175.000.000 74% Guaranteed Bonds due 1994

Unconditionnally guaranteed by

The Republic of France

Crédit Lyonnais

LTCB International Limited

Morgan Stanley International

Union Bank of Switzerland (Securities) Limited

Algemene Bank Nederland N.V. Banque Paribas Capital Markets Limited Crédit Commercial de France Deutsche Bank Capital Markets Limited Kleinwort Benson Limited

Banque Bruxelles Lambert S.A. Chase Investment Bank Limited Credit Suisse First Boston Limited Generale Bank Lloyds Bank International Limited Mitsubishi Finance International Limited Morgan Guaranty Ltd

Banque Nationale de Paris Commerzbank Aktiengesellschaft Daiwa Europe Limited Goldman Sachs International Corp. Merrill Lynch Capital Markets The Nikko Securities Co., (Europe) Ltd. Orion Royal Bank Limited Salomon Brothers International Limited Shearson Lehman Brothers International Société Générale Swiss Bank Corporation International Limited

January 1987

THE BANK OF NEW YORK

is pleased to announce the establishment of a

SPONSORED AMERICAN DEPOSITARY RECEIPT (ADR) FACILITY

for

HILLSDOWN HOLDINGS pic



For further information regarding The Bank of New York's ADR Services, please contact Joseph Veili in New York (212) 530-2321, Michael Cole-Fontayn in London (01) 626-2555.

INTERNATIONAL COMPANIES AND FINANCE

Ernault-Toyoda to expand in Europe

ERNAULT-TOYODA, the French ropean producers would not surmachine tool company saved from vive.

collapse by Toyoda of Japan two At the moment, Ernault-Toyoda years ago, said that it intended is operating at about 50 per cent camounting a challenge in the UK pacity producing 12 lathes and nine and West German markets, starting machining centres a month.

pany, based at Cholet, near Nantes, intended raising exports from 20 systems, per cent of sales last year to 40 per cent within the next few years as output continues to build up at its figure needed for the company to two French factories. More than

221m has been spent on new build-ings and production equipment.

The company in which supervi-sion of production and finance is essentially in the hands of Japanese managers, has the capacity to pro-duce 240 lathes and 165 machining duce 240 lathes and 165 machining three years. Ernault sold just one centres a year, although these fig. lathe and one machining centre in ures could be raised by a quarter by

If the company hits its targets, the European machine tool market will become increasingly over hicle group, will increase its half crowded. Yamazaki has built a new share in the company. machine tool factory in Worcester, England, which is due to come on

stream in three months time. It will be capable of producing 750 to 1,200 lathes and machining centres a year.

Mr Pons, who is also chairman of Free

It had sales of FFr 150m (\$23m)

The company, formally Ernault in 1985 and FFr 240m last year. Somua, in which Toyoda now has a This was well below the target of 50 per cent share, manufactures FFr 300m. Mr Pons blamed this machining centres under Toyoda li-shortfall on a downturn in French sence and lathes of Ernault design. domestic demand for machine tool Mr Jean-Paul Pons, president of and delays in installing almost com-Ernault-Toyoda, said that the com-pletely new production equipment

break even - but Mr Pons conceded that this would probably be impos-

was to achieve a turnover of VFr 500m by 1988-89 and to sell 80 to 100 machines in the UK during the next the UK last year.

There is now a possibility that turing arm of the Toyota motor ve-

Mr Pons said Ernault-Toyoda might need some recapitalisation this year. It would then be a ques-tion of whether the other two partners, Schneider, the French electrithe French association of machine each hold 25 per cent would be pretool builders, said competition pared to put more money into the would intensify and that some Eucompany, and Sofirind, a

American Can Company

with the Indea

Kvaerner suffers profits decline

By Kavin Done, Nordic Correspondent, in Stockholm

KVAERNER, the Norwegian engi-neering group, suffered a fall of 35 per cent in profits (before extraordinary items) last year to NKr 245m (\$38.3m) from NKr 382m in 1985.

Kvagruer is locked in a corporate ower struggle with Elkem, the Vorwegian metals group, which is seeking to acquire a stake of at east one third in the engineering

It faces expulsion from the Oslo stock exchange for its use of a com-pany bylaw, which prevented El-lem and two other major shareholders Vesta, the insurance group, and Bergesen, the shipping group-from taking several seats on the Kvaerner board at a shareholders

Kværner is awaiting the out-come of an appeal against the stock exchange ruling to the Department of Trade,

per cent of the Kvaerner equity, is itself in a weakened financial state, however. Earlier this week it an-nounced a loss for last year of NKr

Kyserner said that its financial performance last year was weaker than expected chiefly because of

North American quarterly results Page 39

bases of about NKr 05m that it look suffered on the building of a rail terry for Sweden.

The contract was the last ship building order to be completed at the group's Moss yard, where ship-building operations have now been

Rvaerner group turnover was un-changed at NKr 5.4bn, but new or-ders booked last year fell back to only NKr 4.5bn compared with NKr 5.02bn in 1985.

Last year's profits include NKr 68m gains booked from the sale of ships, and the group's shipping divi-sion made a small profit last year compared with a loss in 1985 of about NKr 75m.

Profits before tax and allocations totalled NKr 260m last year com-pared with NKr 363m a year earli-

Comau poised to buy machine tool group

BY OUR FINANCIAL STAFF

COMAU, the manufacturing systems division of Flat, the Italian vehicle and industrial group, is close to purchasing one of the machine per cent owned by Intelantomatical companies that failed last year tisme, one of the groups formed under the collapse of the big resbruching plan for the French machine tool industry.

The Italian company is expected to announce soon that it has taken Indosuez, a French merchant bank. a controlling interest in Graffen-staden Machines-Outils, a Strasbourg-based maker of machining centres and lathes.

The purchase would also include Hure, a milling machine making subsidiary in the Graffenstaden subsidiary in the Graffenstaden ed to enter negotiations with a group. This would appear to be a number of West German and Japamove into new products for Comau, which specialises in designing and manufacturing complete production which is thought to employ 350. Co-and materials handling systems mau employs 4400 and had sales of rather than stand-alone machines. FFr 400m (\$66m) last year.

Fiat declined to comment on the negotiations or the reasons for purchasing Graffenstaden, which is 51 chine Tool Plan of the early 1980s but which subsequently foundered. Intelautomatisme is now owned by ptinglol

The other 49 per cent of Graffen-staden is owned by Cit-Aloatel, a subsidiary of Compagnie Générale d'Electricité, the electrical group.

The French Government attemptnese companies as well as Coman for the purchase of Graffenstaden,

Norway's TRADE FINANCE BANK

Union Bank of Norway has every facility to assist importers and exporters in their sales efforts both in Norway and abroad. We offer collection services, letters of credit and trade finance, all of which can be adapted to meet particular needs. We offer financing in different currency baskets to reduce your foreign exchange risks. Our close relationship with the Norwegian Savings Banks gives us a unique network to assist with your payment transactions.

Please contact Tom Kristensen (trade finance) or Eva Hagerup (letters of credit/collection) in Norway. Tel: (472) 31 90 50. Telex: 19470 UBN BK. Union Bank of Norway is known domestically as ABC bank.

Also with subsidiary in Librembourg and Representative offices in Copenhag



BANK NEGARA INDONESIA 1946 OPENS A BRANCH IN LONDON

The leading international Indonesian bank, with 252 domestic branches, and offices in Singapore, Hong Kong, Tokyo, New York, Bahrain and London, Is involved in trade finance, corporate banking, foreign exchange, money market and capital market activities.



3 FINSBURY SQUARE LONDON EC2A 1DL TELEPHONE 01-638 4070 TELEX: 637752 (DEALING ROOM) TELEPHONE 01-256 7911 TELEX 9413072

This announcement appears as a matter of record only.



Eurocommercial Paper Programme

has been increased to

U.S. \$150,000,000

Dealers

Merrill Lynch Capital Markets Citicorp Investment Bank Limited County NatWest Capital Markets Manufacturers Hanover Limited

Јапиату, 1987

These securities have been sold outside the United States of America and Japan. This announcement

NEW ISSUE

30th January, 1987



IZUMIYA CO., LTD.

U.S.\$60,000,000

31/4 per cent. Guaranteed Bonds due 1992

Unconditionally and irrevocably guaranteed by The Mitsui Bank, Limited

Warrants

to subscribe for shares of the common stock of Izumiya Co., Ltd.

Issue Price 100 per cent.

Nomura International Limited

Daiwa Europe Limited

Nippon Credit International Limited

Sumitomo Finance International

Banca del Gottardo **Chase Investment Bank**

Mitsui Finance International Limited The Nikko Securities Co., (Europe) Ltd. J. Henry Schroder Wagg & Co. Limited

Taiyo Kobe International Limited Wako International (Europe) Limited Bayerische Vereinsbank Aktiengesellschaft Crédit Commercial de France New Japan Securities Europe Limited Salomon Brothers International Limited

Société Générale Union Bank of Switzerland (Securities) Limited

S. G. Warburg Securities

Yamaichi International (Europe) Limited

INTERNATIONAL CAPITAL MARKETS and COMPANIES

Optimistic tone evaporates as dollar starts to slip

LAST FRIDAY'S optimistic that consumer spending in coupon. It can be put after six tone in the Eurobond market

Japan is expected to expand, years at a price to provide a 64 was dissipated yesterday as the dollar went into reverse, and dealers started to worry about the response to this week's US stores and real estate as well

CSFB-Effectenbank led two analysis was also received other issues in the D-Mark Treasury auctions. In thin as railways, was also received trading, prices of Eurodollar well yesterday. It was quoted fixed rate issues eased by about at a bid price of 105½.

The third issue was a \$70m percentage point.

of buying new Eurodollar bonds, but the fairly low issuing volume so far this year seems to have created room for the best quality issuers to launch successful deals.

So Warburg Securities was able to find a receptive market yesterday for its \$250m six-year issue for the EEC, even though it struck dealers at first as tightly priced. The 7½ per cent bond, with a 101 issue price, initially yielded 44 basis points over US Treasury bonds. In spite of this, the deal was quoted as high as 993 bid in early trading. During the day its yield margin narrowed as

US Treasury bond prices fell, although It closed at around Elsewhere the Japanese securities houses were concentrating on issuing equity warrant bonds, taking advantage of the renewed firmness of the Tokyo stock market, All three

of yesterday's offerings were for five years, with indicated coupons of 31 per cent. Nomura International's \$80m issue for Tokyu Department Store came as no surprise to the market since other bouses had traded the paper in the grey market for some days ahead of its announcement. The deal was quoted at

ic I Sales e

offer talks

i finance d

Mar needs

ncy beign

skis, Ogrge

Sarms 🛬

Sist with

े केत्रहात्रहार्ति ।

in Nation

.. ರಗುವಾಶಿತ್ರ

e di arabe

i imite

de Fride

al Linker

. Carata

. I didird

Continue

JEC sank

around 106 yesterday, against a par livue price. Dealers report that investors are keen on Japanese companies like Tokyu

percentage point.

Investors continue to be wary deal for Toyoda Tsusho Kaisha, f buying new Eurodollar the motor trader, led by onds, but the fairly low Nomura International. It was quoted at 99 bid. Prices in the D-Mark market firmed during the day, gaining

about a point among the longer maturity issues, though trad-

INTERNATIONAL BONDS

ing volume was low. The Bundesbank will announce details of a new federal bond

CSFB-Effectenbank led a DM 150m convertible bond for Elders UK, the British arm of Elders UK, the British arm of the Australian brewery and financial group. The deal followed a three-tranche financing for Elders in the sterling, dollar, and Swiss franc markets last month. It was accompanied yesterday by a F1 100m issue led by CSFB-Nederland.

Elders' DM 150m 10-year issue was priced at par with an indicated 2½ per cent coupon. The conversion premium is expected to be 10 per cent, in line with the earlier issues. It is callable after five years at

is callable after five years at 101, and after six years at par. Investors have the chance to put the bond after six years at a price to give a 5; per cent

The issue, which will have its final terms fixed by February 6, was quoted at around 99½ bid yesterday.

market yesterday. The first was a DM 100m 10-year 6 per cent issue for Westland-Utrecht Hypotheckbank, the Dutch mortgage bank.

Even though the issue had the guarantee of double-A rated Nationale - Nederlanden, West-land-Utrecht's parent company, dealers said it was proving hard to sell yesterday. It was quoted at 981 bid, against a 1011 issue

CSFB-Effectenbank also led an issue of 100,000 two-year warrants on their own for Den norske Creditbank. They are exercisable into a 6 per cent seven-year bond at par, and are priced at DM 19 each. They were quoted at around issue

In Switzerland, prices were unchanged in lower volume. Dealers said there was little retail demand. Credit Suisse led a SFr 75m five-year 5 per cent bond, priced at 1001, for Brierley Investments, the New Zealand company with diversified interests. Dealers expected the deal to meet a good reception; a pre-vious convertible for Brierley met firm demand and inves-tors were expected to find the

5 per cent coupon attractive. S. G. Warburg Soditic led a SFr 150m 10-year bond with equity warrants exercisable for dve years, for Wormald Inter-national, the Australian manu-facturer of fire protection systems. The issue has an indicated 5; per cent and warrants are expected to be exercisable at a premium 20 per cent over the share price when terms are finalised. The borrower has the right to reduce the size of the issue.

Haig Simonian on a US investment bank's ambitions in West Germany

Salomon creates Frankfurt springboard

AS THE champagne corks to develop purely West German popped at one of Frankfurt's distribution for DMtop hotels yesterday, many of the West German guests invited to celebrate Salomon Brothers' official arrival were quietly assessing the implica-

Not that the US investment bank has been short of publicity in the six months it has already been in the Frankfurt market. Salomon made quite a splash last July, when it lured Mr Peter Coym, formerly head of investment banking at Commerzbank, for a salary said by some to be around DM 1m

Salomon's rationale for setting up in Frankfurt was clear. Its increasing emphasis on nondollar markets in recent years has conveniently coincided with the Bundesbank's policy of gradual deregulation. It is little wonder that Frankfurt lies not far behind London and Tokyo in Salomon's inter-national ambitions.

"We felt it would be almost impossible to get together the quality of German nationals we wanted either in London or New York," says a senior non executive, explaining the reason for coming to Frankfurt Moreover, while the London office has tended to concentrate on selling securities to a wide range of inter-Frankfurt's chief tasks will be

denominated securities. Salomon has had a Frankfurt office, in Deutsche Bank's former headquarters, for about six months. However, the com-

pany did not receive its banking licence until November — much 'It would be almost impossible to get

together the quality

of German nationals

wanted in either London or New York'

Since then, things have moved fast. But both Mr Coym and Mr Frank Beelitz, his comanaging director, who joined Salomon after a long spell at Morgan Guaranty in Frankfurt, are unarelegatic about the are unapologetic about the firm's delay in making its public debut. Apart from obtaining the the necessary regulatory approvals, the company has painstakingly been recruiting backroom staff. "You can lose

Mr Coym.

more money through a bad back office than from trading," notes Mr Coym and Mr Beelitz

highlight the two areas where Salomon intends to make its impact in West Germany. Mr Coym will focus on capital markets, while Mr Beelitz will take charge of the potentially more difficult corporate finance

Some bankers argue that there is a more active secondary market for many D-Mark securi ties in London than in Frankfurt - and have even coined the word "Londonfurter" to describe them.

The US investment bank itself has decisively turned its its entire Euro-DM trading activity to Frankfurt. Four traders will be in place at the outset for Euro- and domestic DM bond business, with room for more to follow if necessary. Salomon intends to be active

in both the primary and secondary markets for Euro D-Mark and domestic bonds, offering a full syndication, sales and trading service, according to Mr Coym. However, he recognises the entrenched position of the

West German banks in the domestic bond market. "Our target is to lead manage issues but the only way for us to do that is by bringing and developing new ideas and structures to the market," he says.

Salomon has already made through a number of innovative repackaging deals for bonds multinationals, than to the Issued by a variety of West thousands of small and medium German federal borrowers. Cracking corporate finance could be a great deal more difficult. West German banks

are renowned for their close relationships with client com-panies, and it is hard to see an Our target is to lead

manage issues but the only way is by bringing and developing new ideas and structures'

outsider easily breaking in. "It would certainly be a mistake for us to try to be all things to all people," admits Mr Beelitz. But he points to Salomon's advisory role to Bertelsmann, the West German media group, in last December's successful US\$485m bid for Doubleday, the US publishing house, as an example of what it can do. Salomon is not targeting any

specific group of companies for its corporate finance services, Yet its expertise is bound to be of greater interest to West Germany's largest corporations —notably those planning US acquisitions—and to the West acquisitions—and to the West German subsidiaries of US

Mergers and acquisitions is one area where Salomon may have a strong advantage over the domestic competition,
"M & A was never a banking activity in this country, there was never any need," says Mi Beelitz. The West German banks are busily trying to improve their expertise but it is a slow process, thinks Mr Beelitz. Meanwhile, the "old boy net-work" in German corporate finance is already breaking down - probably foreigners' advantage. to

The trend for more invest-ment banks to set up in Frank-furt will meanwhile continue, Mr Coym predicts. The Swiss are already strongly repre-sented, notably through CSFB-Effectenbank. On the US side, Morgan Stanley, Shearson Lehman and Goldman Sachs are all said to be thinking about

taking the plunge.

The foreign inflow is bound to accelerate when the Boun Government fulfils its election pledge of removing the stock exchange turnover tax, which has been the principal reason why some secondary market trading in D-Mark securities has been syphoned off to London. In the meantime, Salomon, and a small number of other houses, will have the foreign investment banking field pretty much to themselves.

which are orientated towards The Fi 100m 10-year offering the domestic market, given has a 24 per cent indicated

FT INTERNATIONAL BOND SERVICE Listed are the latest international bonds for which there is an adequate secondary market.

Arter. Express 7% 93 100 1100 1000 1000 1000 1000 7.64 A/S Eleportrinaes 7% 93 100 99% 100% +0% -0% 7.64	Amedil Fig. 141, 90 AS 40 994 1804 -04 -03 14.79
All Elephordinate 7% 95 160 9% 100% +0% -0% 2.44 Americals Com. 11.49 200 116% 126% 216% -0% 2.14 200 116% 126% 217 -0% -0% 2.14 Americals Com. 11% 00 100 116% 1217 -0% -0% 2.04 BP Combal 9% 95 100 116% 100% +0% -0% -0% 7.47 Bruts resecue 7% 96 200 97% 90% -0% -0% -0% 7.34 Camade 9 96 200 117% 100% -0% -0% 7.76 Canada 9 96 200 107% 100% -0% -0% 7.76 Canada Pac. 10% 99 100 109% 100% +0% -0% 7.76 CCCC 7% 91 110 9% 9% 9% 40% -0% 7.34 CCCC 7% 91 110 9% 9% 9% 40% -0% 7.34 7.34	Amro Bank 144, 90 A5 60 994, 1604, 8 -62 14.12
Ametricia Com. 11 45 280 1564 1254 -04 -04 8.17 Auguratia Com. 114 05 150 150 1164 127 -04 -04 9.04 BP Cantal 91 94 150 160 160 160 160 100 100 100 100 100 10	Bremer Leick, 12% 91 AS 38 98 99 0 +0°2 15.35
America Com. 114, 00 100 1164, 117 -04, -04, -04 9.0 4.0 8 P. Capital 94, 94 180 1664, 1064, -04 -04 -05 7.9 4.0 1664 1065 1065 1065 1065 1065 1065 1065 1065	First Finders 141-1945 50 991-1001 61 61- 1431
Britist Tetecom 74 96 250 474 404 -04 -04 7.54	EMAC 177, 89 AS
Canada 9 96 1079 95 1000 1074 1007 -04 -04 7.76	Landshir, Rhein, 13 89 AS 30 96's 97's 0 -0's 1454
Canada 9 96 1004 93 100 1074 1004 -04 -04 7.76 Canadau Pac. 104, 93 100 1004 1014 +014 -019 8.72	Michaella 2011 145 44 V2 20 1864 1815 — — 145
Cammbell Scop 10 ¹ 2 95 189 1133 1127 + 487 - 494 4.21 Camada 9 96 3008 10774 10875 - 494 - 494 - 494 - 7,76 Canadhan Par. 1014 93 189 1894 1894 + 495 - 495 - 472 CCCE 715 91 113 974 974 + 495 - 495 7,24 CNCA 73 91 189 975 109 - 494 - 495 7,24 CNCA 73 91 189 975 109 - 494 - 495 7,24 CNCA 73 91 189 975 109 - 494 - 495 7,24 CNCA 73 91 189 975 109 - 494 - 495 7,24 CNCA 73 91 189 975 109 - 494 - 495 7,24 CNCA 73 91 189 975 109 - 494 - 495 7,24 CNCA 73 91 189 975 109 - 494 - 495 7,24 CNCA 73 91 189 975 109 109 109 109 109 109 109 109 109 109	
CCCCE 71, 91 1139 991, 191, 191, 191, 191, 191,	
Citicorp 84 99 300 300 1050 1054 6 + 66 w 6.44 Credit Lyomatis 9 92 300 1050 1054 6 6 7.28	General Fin. 111, 95 CS 25 1180, 180, +80, +80, 1819c GMAC 94, 92 CS 25 1810, 1815, 0 -04, 1.09
Credit Lyomatis 992	Royal Truston 101 90 CS 75 1051 10512 -61 -61 849
Credit National 94, 93	Rader Are. 106, 92 CS 25, 41053, 1041, 484, 465, 9,19
Denomark Kingstom 74, 93 250 994 1004 0 -04 7.76	Coca-Cota F. C. 17 90 NS . 75 12006 1835 . 0 45 1648
Credit National 74, 97 156	Plane 17 - 90 MC
TEC 294, 96 280 1805, 2004, -04, 0 7.45	Underver Cap. 171-287 85. 50 7100 1281. 10 0 1-5. 11201
EEC 84, 96 280 3685 2005 -04 0 7.46 EEC 84, 91 2005 190 1805 1805 -04 7.01 180 1805 -04 -14 7.01 180 1805 -04 -15 7.57	Copenhagen City 9 95 Ecs 40 11014 1014 -44 -44 8.76 E18 74 91 Ecu
EEC 95, 91 198 165, 1854 -54 7.01	EIB 74 71 Ecu 100 1994 1974 -04 -04 7.46 EIB 54 93 Ecu 100 1265 1852 0 -1 7.51
E18 7% 93 A 100 1004 1064 0 7.52 Eurofina 74 91 100 1614 1624 0 +65 7.19	Whit Disney 84 94 Ects 44 11434 1440 8 -69 845
EiB 75, 93 A 100 1004 1005 -Ma 9 7.52 Eiroffins 74, 91 100 1014 1024 9 +05 7.19 Export (by. Cys. 10 90 100 100 100 100 100 100 100 100 1	Walt Disney 84, 94 Ecz
Export Dev. Con. 10 90 100 1005 109 +34 9 6.62 Pinisant 71- 93 200 994 974 0 -64 7.57	Hoads Mtr. WW 33, 40 F1 388 3844, 1344, -9, -9, -9, 0.75 Nacts Mtr. XW 35, 90 F1 260 225, 959, +9, +9, +9, 436 Titysian 71, 90 F1 89 246 24572, +9, +9, +9, 45, 439 Wereldhave 71, 90 F1 25 2644, 1345, 0 +6, 485
Peristant 71: 93 288 994 995 0 -64 7.59 Pard Motor Cred. 101: 91 150 1189 111 +84 8 7.79 Pard Motor Cred. 111: 90 150 1102 1114 -64 -64 7.30	Monda Mor. XW 33, 90 Ft 260 927, 955 +05 +05 436 Thysian 74, 90 Ft 80 166 2657 +054 +055 439
Fact Motor Crist. 105-271 150 1150; 1111 +50 67.76 Ford Motor Crist. 115-50 1160 1100; 1112 6565 7.36 Gen. Elsc. Crist. 105-100 200 105: 105: 105: 105: 105 95 95 93.5	Werelchave 71- 90 F7 75 2841, 1845, 8 +6% 443
Gen. Elec. Gred. 104 00 200 1054 1064 -64 -64 9.36 GMAC 101-89 200 1067 1074 +64 -64 6.81	Westmen 64, 90 F1 56 101% 102% -0% 0 6.15
GMAC 104, 89 280 1857, 1874, +94 -94 6.81 GMAC 82, 93 280 1834, 184 8 -94 7.72	Asstralia Com. 11 92 £
GMAC 81, 93 200 1034 184 0 -84 7.72 140 9 9 1121 1154 484 -14 7.79	imp. Chem. Inds. 10 03 £ 180 92% 95% +8% -8% 10.95 imp. Chm. Inds. 10% 92 £ 25 1814 1826 +8% +8% 18.23
ADE 97, 95 200 1121, 1187, +84, -14, 7.79 Liberty Murral 81, 96 250 1027, 1037, -69, -64, 8.60	Imp. Chm. Inds. 104, 92 E 75 1814, 1024, 404, 404, 18.23 Invit. in Inds. Int. 10 93 £ 60 961, 975, 8 8 10.73
Liberty Mutual 812 96 150 1021 10316 -016 -016 8.00 LTCB of Japan 8 91 100 10212 103 0 -016 7.25	Lacet Bids, Sec. 104-91 5 80 98 984 0 0 34.99
Merrill Lynch 84 91 200 1035 1044 -04 -05 7.75	McConside 107-90 6 48 12094 1624 129
Mercus, Senz Cred. 70 11 106 1064 1014 0 . — 9 7.25 Missubsti Fin. 74 93	McDonalds 107, 90 £
Criticorp S4 98 982 386 984 984 98 98 7.28 Credit Lyconals 992 389 3864 1365 98 98 7.28 Credit Lyconals 992 389 3864 1365 98 98 7.28 Credit Rational 94, 99 198 3864 1365 98 98 1995 0 7.24 Credit Rational 94, 99 198 98 1365 1365 1365 1365 1365 1365 1365 1365	NSW Tressery 205, 92 5 50 995 1005 0 -04 1044
Mutual America 7-92	Royal Insce. 103, 92 £
Norway Kingdom 74 91 500 100 100 -04 -04 7.20	1 Sainstery 107, 93 £ 60 994, 1604; 8 8 36.57
Missibisti Fig. 74 93	Trestrouse Forte 11/2 90 £ 50 1102/2 182/2 8 9 10.18 World Bank 11/2 95 £ 186 163/2 187/2 +69/2 +69/2 14.50
Queenstand Gort. 10% 95 100 112% 112% 0 -0% 8.15 Queenstand Gort. 10% 95 100 111% 111% 0 -0% 9.22	11414
Relation Puring 111, 95 150 †1151; 116 0 4.95 Saxb Scanta 91; 91 128 1051, 1064, +64 0, 7.71	CoE 87, 95 LPr 660 1265 106 0 7.56
Saab Scartin 92 91 128 1054 1064 +64 -64 7.71 Sastratchewan 104 92 100 1124 1134 0 0 7.59	FIRST AND A STATE OF THE PARTY AND
Saskatchewan 104, 92 100 1125, 1134, 0 0 7,39 8tate Bk, S, Aust, 94, 93 100 186, 1064, -04, -04, -04, 7,90	PLOATING RATE
State Bk. S. Aust. 94 93 200 185 1984; -0% -0% 7.50 State Bk. S. Aust. 94 93 270 1874 1884; -0% -0 7.51 Swed. Ern. Cred. 74 91 200 79% -0% -0% -0% 7.37 7.37	HOTES Spread Shi Offer Safe Sapo
Swed Exp. Cred 74 91 100 994 994 -04 -04 7.37 Swed Exp. Cred 10 92 100 1104 1114 0 -04 7.44	Alberta 3 93
Sweet, Exp. Cres. 10 92	
Sweden 81, 96 250 1125 1134 0 -04 7.43	Barclays Bank Perp. 2 8k4 97.05 97.18 2/91 7.86 Barclays Bank Perp. 2 646 95.04 96.06 17/02 64
Sweden 104 92 250 112 1134 0 -04 7.43 Sweden Kingdom 107, 90 200 1184 1114 -04 -02 7.62	Belgium, Ringuam of 91 0 20017 10027 1902 8.06
Sweden Kingdom 7 91 250 99 9972 -016 -016 7-15	Britannia 5 93 E 93.45 93.72 840 10.19
	177 TATE OF THE PARTY OF THE PA
Sweden Kingdom 7 91	Charus Manhartess Cortin, 92, 63, 99,34 99,84 26/02 6.12
Tarso Finance 74, 94 8 190 99 912 - 7.32 Toyota Motor Cred. 8 89 100 1955 183 0 - 64 649	Chance Manhesters Corpn. 91. 61. 99.34 99.34 28/02 6.12 Chicago 98. 99. 98.99 28/11 7.29
Taylo Finance 74 94	Chance Manhesters Corpn. 91. 61. 99.34 99.34 28/02 6.12 Chicago 98. 99. 98.99 28/11 7.29
Taylo Finance 74 94	Claime Manhiettes Corpn. 92 64 99.34 99.44 28/02 6.12 Ciricop 98 99.9 28/13 7.19 65 180.28 300.39 12/01 6.62 EEC 3 92 04 9 180.28 100.32 12/01 6.62 100.12 100.22 12/01 6.62 100.12 100.23 12/01 6.62 100.12 100.23 12/01 6.62
Taylo Finance 74 94	Claime Manhetten Corpn. 92 64: 99.36 99.44 28602 6.12 Chicup 98 92 28711 7.29 Credit Lyomais 5 00 64: 186.28 200.30 2261 6.62 EEC 3 92 0M 9 9 186.22 28602 4.40 EEC 54 93 ECD
Taylo Finance 74 94	Claime Manhetten Corpn. 91 64 99.34 99.44 28/02 6.12 Ciricop 98 99.9 28/11 7.19 05 198.97 28/11 7.19 05 198.97 28/11 7.19 198.97 28/11 198.27 198.97 28/11 198.27 198.97 1
Taylo Finance 74 94	Claime Manhettin Corpn. 92 64. 99.34 94.4 28/02 6.12 (Cistorp 98. 99.89 94.99 28/11 7.19 Cistorp 98. 99.89 94.99 28/11 7.19 Cistorp 98. 99.89 100.32 12/01 6.62 100.12 12/01 6.62 12/01 6.62 100.12 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62 12/01 6.62
Taylo Finance 74 94	Chanse Manhetten Corpn. 91 6/2 99.34 99.44 28/02 6.12 (bitcop) 98 99.9 28/11 7.19 (bitcop) 98 99.9 28/11 7.19 (bitcop) 98 99.9 28/11 7.19 (bitcop) 98 99.04 180.22
Taylo Finance 74 94	Claime Manhettin Corpn. 92 64. Clivery 98 94.99 28711 7.29 Credit Lyomais 5 00 64 98.99 28711 7.29 Credit Lyomais 5 00 80 96.9 180.22 12011 6.62 EEC 3 92 0M 9 180.22 12011 4.40 EEC 54 97 Ecu 8.4332 99.36 180.86 9801 7.46 Halffan Bidg, Scr. £ 94 91.9 194.5 99.52 6402 18.56 Midland Bank 01.5 84 91.7 91.37 902 18.56 Midland Bank 01.5 92 92 180.50 91.30 902 18.56 Milwart Perp. A 99.57 97.30 902 18.56 Milwart Perp. A 99.57 97.30 902 18.56
Taylo Finance 74 94	Claime Manhetota Corpn. 92 61 99.34 99.44 28/02 6.12 (Circorp 98 99.89 28/11 7.19 Circorp 98 99.89 28/11 7.19 Circorp 98 99.89 28/11 7.19 28/02 18/02
Taylo Finance 74 94	Chince Manhettes Corps. 91 64 99.44 28/02 6.12 (Chicap 98 94.99 28/11 7.19 Chicap 98 94.99 28/11 7.19 Chicap 98 94.99 28/11 7.19 6.82 30.39 12/01 6.82 30.39 12
Taylo Finance 74 94	Claime Manheton Corpn. 92 64. Clickop 98 94.9 2892 64.2 Clickop 98 94.9 2892 7.29 Credit Lyomais 5 00 64. EEC 3 92 0M 0 189.2 300.30 2291 6.62 EEC 3 92 0M 0 189.2 300.30 2291 6.62 Haiffar Bidg, Soc. 2 94 0.1 91.9 3961 7.46 Haiffar Bidg, Soc. 2 94 0.1 91.9 91.2 920 28.5 Milk Mirtop, Board 5 95 2 92. Milk Mirtop, Board 5 98 2 92. MakWest Perp. A 94.5 MakWest Perp. B 94.5 MakWest Perp. B 94.5 Marw Zenkard 5 97 2 94.5 New Zenkard 5 97 2 94.5 New Zenkard 5 97 2 94.5 New Zankard 5 97 3 94.5 New Zankard 5 97 4 94.5 New Zankard 5 97 4 94.5 New Zankard 5 97 4 94.5 New Zankard 5 97 5 95.5 New Zankard 5 97 5 9
Taylo Finance 74 94	Claime Manhettin Corpn. 92 64. 99.36 94.49 28/02 612 612 612 612 612 612 612 612 612 61
Taylo Finance 74 94	Claime Manhetein Corpn. 92 64 99.44 28/02 6.12 Circorp 98 98.99 98.99 28/11 7.19 Circorp 98 98.99 28/11 7.19 98/11 7.19 98/11 7
Taylo Finance 74 94	Claime Manhetote Corpe. 92 64. Clicking 98 94.4 2862 64.2 Clicking 98 94.9 287.1 7.29 Credit Lyounais 5 00 64. 88.28 300.38 12911 6.81. EEC 3 92 0M 9 189.25 300.38 12911 6.81. EEC 5 97 5 Ecc 94 0.1 38.23 99.35 180.66 3961 7.46 Halffair Bidg, Scr. £ 94 0.1 99.45 99.52 662 18.56 Mikitan Brah, Di. £ 8.3 99.45 19.35 9901 7.46 Mikitan Brah, Di. £ 8.3 99.45 19.35 9901 18.66 Mikitan Brah, Di. £ 8.3 99.45 19.35 9901 18.69 Mikitan Brah, Di. £ 94.5 91.57 97.85 97.80 901 6.91 Mikitan Brah, Di. £ 8.47 99.75 97.85 18.62 18.69 Mikitan Brah, Di. £ 8.47 99.75 97.85 18.62 18.69 New Zaahard 5 07. 6 99.75 99.85 99.85 99.87 7.39 Woodblek Flyancial 5 97. 6 99.37 99.87 7.39 Woodblek Flyancial 5 97. 6 99.35 99
Taylo Finance 74 94	Claime Manhetote Corpn. 92 64. 99.49 28.02 6.12 Circles P8. 98.9 98.99 28.11 7.19 Circles P8.0 04. 188.28 190.39 12.90 6.82 190.39 12.90 6.82 190.39 12.90 6.82 190.39 12.90 6.82 190.39 12.90 6.82 190.39 12.90 6.82 190.39 12.90 6.82 190.39 12.90 6.82 190.39 12.90 6.82 190.39
Taylo Finance 74 94	Claime Manhetote Corpe. 92 64. Clicking 98 94.4 2862 64.2 Clicking 98 94.9 287.1 7.29 Credit Lyounais 5 00 64. 88.28 300.38 12911 6.81. EEC 3 92 0M 9 189.25 300.38 12911 6.81. EEC 5 97 5 Ecc 94 0.1 38.23 99.35 180.66 3961 7.46 Halffair Bidg, Scr. £ 94 0.1 99.45 99.52 662 18.56 Mikitan Brah, Di. £ 8.3 99.45 19.35 9901 7.46 Mikitan Brah, Di. £ 8.3 99.45 19.35 9901 18.66 Mikitan Brah, Di. £ 8.3 99.45 19.35 9901 18.69 Mikitan Brah, Di. £ 94.5 91.57 97.85 97.80 901 6.91 Mikitan Brah, Di. £ 8.47 99.75 97.85 18.62 18.69 Mikitan Brah, Di. £ 8.47 99.75 97.85 18.62 18.69 New Zaahard 5 07. 6 99.75 99.85 99.85 99.87 7.39 Woodblek Flyancial 5 97. 6 99.37 99.87 7.39 Woodblek Flyancial 5 97. 6 99.35 99
Taylo Finance 74 94	Claime Manhetote Corpn. 92 64. 99.49 28.02 6.12 (Circum) 98 98.99 98.99 28.11 7.19 (Circum) 98 98.99 98.99 28.11 7.19 (Circum) 98 98.99 98.99 28.11 7.19 (Circum) 98 98.90 98.99 28.11 7.19 (Circum) 98 98.90 98.90 12.01 12.01 6.02 12
Taylo Finance 74 94	Claime Manhetein Corpn. 92 64. 99.44 28/02 6.12 Circorp 98 98.99 98.99 28/11 7.19 Circorp 98 98.99 98.99 28/11 7.19 28/02 10.0
Taylo Finance 74 94	Claime Manhetein Corpn. 92 64. 99.44 28/02 6.12 Circorp 98 98.99 98.99 28/11 7.19 Circorp 98 98.99 98.99 28/11 7.19 28/02 10.0
Taylor Finance 74, 94	Claime Manhetote Corpe. 92 64. Chicarp 98 94.4 2862 6.12 Credit Lyounais 5 00 04. EEC 3 92 0M 0 1 286.2 300.30 12911 6.61 EEC 5 97 5EC
Taylor Finance 74, 94	Claime Manhettin Corpn. 92 64. Chicup 98 94.4 2862 6.12 Chicup 98 94.9 2871 7.29 Credit Lyomais 5 00 64. EEC 3 92 0M 9 189.2 99.5 189.2 98.9 2871 7.46 EEC 54 95 Ecc
Taylor Finance 74 94	Claime Manhettin Corpn. 92 64. Chicup 98 94.4 2862 6.12 Chicup 98 94.9 2871 7.29 Credit Lyomais 5 00 64. EEC 3 92 0M 9 189.2 99.5 189.2 98.9 2871 7.46 EEC 54 95 Ecc
Taylor Finance 74 94	Claime Manhettin Corpn. 92 64. Chicup 98 94.4 2862 6.12 Chicup 98 94.9 2871 7.29 Credit Lyomais 5 00 64. EEC 3 92 0M 9 189.2 99.5 189.2 98.9 2871 7.46 EEC 54 95 Ecc
Taylor Finance 74, 94	Claime Manhettin Corpn. 92 64. Chicup 98 94.4 2862 6.12 Chicup 98 94.9 2871 7.19 Credit Lyomais 5 00 64. EEC 3 92 0M 9 18.28 300.39 1291 6.81 EEC 54 95 Ecc
Taylor Finance 74, 94	Claime Manhetein Corpn. 92 64. 99.34 99.44 28/02 6.12 Circles Ptg. 98.9 98.99 98.99 28/11 7.19 Circles Ptg. 98.90 04.9 28/11 7.19 188.25 300.39 12/01 6.82 180.12 1
Taylor Finance 74, 94	Claime Manhettin Corpn. 92 64. Chicump 98 94.4 2862 6.12 Chicump 98 94.9 28711 7.19 Check Lyounais 5 00 64. EEC 3 92 0M 9 18.82 300.38 12911 6.81 EEC 54 97 Ecc
Taylor Finance 74, 94 Toylor Motor Creek 8 69 100 1823; 153 0 -04 649 Toylor Mitr. Creek 74, 92 136 1107; 1004 -04, +9 129 Victorian Rep. 113; 92 136 1154; 1154 -04, -04, -04, 7.88 World Bank 89; 15 150 1150 1155; -04, -04, 7.88 World Bank 79; -300 99; 180 183 183; 0 -04, 282 Average price change an day -04 on weak +0 BEDTSCHE MARK STRAIGHTS Asterion Filec. Co. 64; 95 150 Daimier Benz 101, 54, 01 506 1927; 11 404, 404, 613 Bank 51, 96 100, 500 1927; 11 404, 404, 613 Benz 100, 500 1927; 11 404, 404, 613 Ele 54, 96 100 1927; 11 404, 404, 619 Ele 54, 96 100 1927; 11 100 1927; 1	Claime Manhettin Corpn. 92 64. Chicup 98 94.4 2862 612 Credit Lyomais 5 00 64. EEC 3 92 0M 9 91.59 2871 7.29 CEC 5 95 Ecc 8.4 94. Halffan Bidg. Soc. 2 94 91. Loyot Samir Pern. 94. Halffan Bidg. Soc. 2 94 91. Loyot Samir Pern. 94. Halffan Bidg. Soc. 2 94 91. Halffan Bidg. Soc. 2 91. Halffan Bidg. Soc. 2 94 91. Halffan Bidg. Soc. 2 94 91. Halffan Bidg. Soc. 2 94 91. Halffan Bidg. Soc. 2 91. Halffan Bidg. Soc. 2 94 91. Halffan Bidg. Soc. 2 91. Halffan Bidg. Soc. 2 94 91. Halffan Bidg. Soc. 2 91. Halffan Bidg. Soc. 2 91. Halffan Bid
Taylor Finance 74, 94	Claime Manhettin Corpn. 92 64. Chicump 98 94.49 2862 6.12 Chicump 98 94.99 28711 7.19 Credit Lyounais 5 00 04. EEC 3 92 0M 08 04. EEC 54 95 Ecc
Taylor Finance 74, 94 Toylor Mitor Cred. 74, 92 Toylor Mitor, Cred. 78, 92 150 1155, 1155, -04, -04, -04, -04, -04, -04, -04, -04	Claime Manheton Corpn. 92 64. 99.44 2802 6.12 Circomp 98 98.99 98.99 28711 7.19 Circomp 98 98.90 98.99 28711 7.19 28711 7.19 28711 7.19 28711 7.19 28711
Taylor Finance 74, 94	Claime Manhettin Corpn. 92 64. Chicump 98 94.49 2862 6.12 Circle Lyounais 5 00 04. EEC 3 92 0M 08 186.28 100.39 12911 6.81 EEC 54 95 Ecc
Taylor Finance 74, 94	Claime Manhettin Corpn. 92 64 99.99 28.42 28.02 6.12 Circles p. 90 90.99 28.71 7.29 Circles p. 90.99 90.99 28.71 7.29 28.02 10.02 2 10.02
Taylor Finance 74, 94 Toylor Mitor, Cred. 8 89 100 Toylor Mitor, Cred. 8 89 100 Toylor Mitor, Cred. 74, 92 150 11571 1151 -014 -014 +7 5.29 Victorian Rep. 115-92 Victorian Rep. 115-92 World Bank 7 92 Substituting Fin. 82, 93 130 SEETSCHE MARK STRAIGHTS Asternape price change an day -014 on week +0 SEETSCHE MARK STRAIGHTS Asternape price change an day -014 on week +015 BESTSCHE MARK STRAIGHTS Asternape price change an day -014 on week +015 BESTSCHE MARK STRAIGHTS Asternape price change an day -014 on week +015 BESTSCHE MARK STRAIGHTS Asternape price change an day -014 on week +015 BESTSCHE MARK STRAIGHTS Asternape price change an day -014 on week +015 BESTSCHE MARK STRAIGHTS Asternape price change an day -014 on week +015 BESTSCHE MARK STRAIGHTS Asternape price change an day -014 on week +015 BESTSCHE MARK STRAIGHTS Asternape price change an day -014 on week +015 BESTSCHE MARK STRAIGHTS Asternape and the strain and the	Claime Manheton Corpn. 92 64. Chicup 98 94.4 2862 612 Credit Lyomais 5 00 64. EEC 3 92 0M 0 180.22 100.21 1201 6.62 EEC 3 92 0M 0 180.23 99.35 100.36 3961 7.46 EEC 5 95 ECC
Taylor Finance 74, 94 Toylor Mitor, Cred. 78, 92 Toylor Mitor, Cred. 78, 92 100 1150; 1153 1155, 1154 1155, -016, -016, 49 1250 1150; 1155, -015, -04, -04, 7,82 Victorian Rep. 115, 92 1150; 1155, -015, -04, -04, 7,82 Victorian Rep. 115, 92 1150; 1155, -015, -04, -04, 7,82 World Bank 19; 16 1150; 1150; 1155, -07, -04, -04, 7,82 Victorian Rep. 115, 92 1150; 1069; -05, -05, -05, -05, -06, -07, -08, -07, -08, -08, -08, -08, -08, -08, -08, -08	Claime Manhettin Corpn. 92 64. Chicump 98 94.49 2862 6.12 Credit Lyounais 5 00 04. EEC 3 92 0M 08 186.28 100.39 12911 6.81 EEC 54 95 Ecc
Taylor Finance 74, 94 Toylor Mitor, Cred. 78, 92 Toylor Mitor, Cred. 78, 92 100 1150; 1153 1155, 1154 1155, -016, -016, 49 1250 1150; 1155, -015, -04, -04, 7,82 Victorian Rep. 115, 92 1150; 1155, -015, -04, -04, 7,82 Victorian Rep. 115, 92 1150; 1155, -015, -04, -04, 7,82 World Bank 19; 16 1150; 1150; 1155, -07, -04, -04, 7,82 Victorian Rep. 115, 92 1150; 1069; -05, -05, -05, -05, -06, -07, -08, -07, -08, -08, -08, -08, -08, -08, -08, -08	Chanse Manhetote Corpe. 92 64. Chicup 98 94.9 2892 6.12 Chicup 98 94.9 2892 6.12 Check Lyomats 5 00 64. EEC 3 92 0M 0 18.12 EEC 3 92 0M 28.23 Ph. 18.12 Lloyds Bank Perp. 4. Midland Bank 01.5 8. All 19.75 Milk Mritop, Board 5 98 6 92. Milk Mritop, Board 5 92 94. Milk Mritop, Board 5 98 6 92. Milk
Taylor Finance 74, 94	Claime Manhettin Corpn. 92 64. Chicup 98 94.4 2862 6.12 Credit Lyomais 5 00 64. EEC 3 92 0M 9 189.2 2011 6.81 EEC 5 95 Ecc 94 0.1 Loyot Baric Pers. 0.4 Midiand Bank 01.5 0.1 Milk Mirity. Board 5 98 64. Mirity Zoahard 5 97. Milk Mirity. Board 5 98 64. Mirity Zoahard 5 97. Milk Mirity. Board 5 98 64. Milk Mirity. Board 5 98
Taylor Finance 74, 94 Toylors Mitr. Cred. 74, 92 Toylors Mitr. Cred. 74, 92 130 1155, 1155, -05, -05, -05, -05, 7,82 World Bank By 16 130 1315, 1155, -05, -05, -05, -05, -05, -05, -05, -	Claime Manhettin Corpn. 92 64. Clistory 98 94.4 2862 612 Credit Lyomais 5 00 64. EEC 3 92 0M 0 180.23 99.3 1201 6.62 EEC 3 92 0M 0 180.23 99.3 1201 6.62 Halffar Bidg, Soc. 5 94 0.1 Lloyds Bank Perp 04. Midland Bank 01.5 0.2 Milk Mintop, Board 5 95 6 94. Milk Mintop, Board 5 95 94. Milk Mintop, Board 5 95 95 94. Milk Mintop, Board 5 95 95 94. Milk Mintop, Board 5 95 95 94. Milk Mintop, Milk 94. M
Taylor Finance 74 94	Claime Manhettin Corpn. 92 64 99.99 28.42 28.02 6.12 Cistory 98 99.99 28.71 7.29 Cistory 98 99.99 28.71 7.29 Cistory 98 99.99 28.71 7.29 28.72 10.01 21.01.21 10.01.2
Taylor Finance 74 94	Chinae Manhettin Corpn. 92 64. Chicup 98 92 94.4 2862 612 Credit Lyomais 5 00 04. 94.9 94.9 2871 7.19 Credit Lyomais 5 00 06. 94. 180.28 100.38 1201 6.61 EEC 3 92 0M 0 180.22 100.21 1201 6.61 EEC 5 95 Ecc
Taylor Finance 74, 94	Claime Manhettin Corpn. 92 64. Chicup 98 94.4 2862 4.12 Credit Lyomais 5 00 64. EEC 3 92 0M 9 189.2 180.21 1201 6.61 EEC 5 95 Ecc
Taylor Finance 74, 94	Claime Manhettin Corpn. 92 64. Chicup 98 94.4 2862 4.12 Credit Lyomais 5 00 64. EEC 3 92 0M 9 18.22 100.32 1291. 6.81 EEC 5 95 ECC 294 0.1 Loyot Baris Pers. 0.4 Midiand Bank 01.6 0.3 Mik Mirity. Board 5 98 64. Mirity. Board 5 97 6 64. Mirity. Board 5 97 6 64. Mirity. Board 5 97 6 64. Mirity. Board 5 98 64. Mirity. Board
Taylor Finance 74, 94	Claime Manhetten Corpn. 92 64 99.99 2844 2862 6.12 Cistory 98 99.99 2871 7.29 Creft Lyomasis 500 04 1862 100.32 200.32 2201 6.82 100.32 200.32 2201 6.82 100.32 200.32 2201 6.82 100.32 200.32 2201 6.82 100.32 200.32 200.32 2201 6.82 100.32 2
Taylor Finance 74, 94	Chance Manhetten Corpn. 92 64. Chicup 98 94.4 2862 612 Credit Lyomais 500 64. EEC 3 92 0M 9 1891 1891 1291 6.61 EEC 3 92 0M 9 1891 1891 1891 1891 1491 EEC 3 92 0M 9 1891 1891 1891 1891 1491 EEC 3 92 0M 9 1891 1891 1891 1891 1491 Halifats Bidg, Scr. £ 94 91 91 91 91 91 92 1895 Halifats Bidg, Scr. £ 94 91 91 91 91 91 91 92 1895 Milk Mirby, Board 5 95 £ 92 1893 902 1895 Milk Mirby, Board 5 98 £ 92 1893 902 1895 Milk Mirby, Board 5 98 £ 92 1893 902 1895 Milk Mirby, Board 5 98 £ 92 1892 1893 902 1895 Milk Mirby, Board 5 98 £ 92 1892 1893 902 1895 Milk Mirby, Board 5 98 £ 92 1892 1893 902 1895 Milk Mirby, Board 5 98 £ 92 1892 1893 902 1895 Milk Mirby, Board 5 98 £ 92 1892 1893 902 1895 Milk Mirby, Board 5 98 £ 92 1892 1892 1892 1892 Mirk Zaabard 5 97 £ 92 91 91 91 91 91 91 91 91 91 91 91 91 91
Taylor Finance 74, 94 Toylor Mitr. Cred. 74, 92 Toylor Mitr. Cred. 74, 93 Toylor Mitr. Cred. 74, 94 Toylor Mitr. Cred. 74, 93 Toylor Mitr. Cred. 74, 93 Toylor Mitr. Cred. 74, 94 Toylor Mitr. Cred. 74, 95 Toylor Mitr. Mitr. Mitr. Mitr. Cred. 74, 95 Toylor Mitr. Mitr. Mitr. Mitr. Cred. 74, 95 Toylor Mitr. Mitr. Mitr. Mitr. Mitr. Mitr. Mitr. Cred. 74, 95 Toylor Mitr. Mit	Claime Manhetten Corpn. 92 64 99.99 2844 2862 6.12 Cistory 98 99.99 2871 7.29 Creft Lyomasis 500 04 1862 100.32 200.32 2201 6.82 100.32 200.32 2201 6.82 100.32 200.32 2201 6.82 100.32 200.32 2201 6.82 100.32 200.32 200.32 2201 6.82 100.32 2

744 432 554 449 549 549 541 541 © The Financial Times Ltd., 1987. Reproduction in whole or in part in any form not permitted without written consest. Data supplied by DATASTREAM international. The prices over the past week were supplied by: Krediethank NV; Commerzhank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Krediethank Luxembourg; Algemene Bank Nederland NV; Plerson, Hethring and Plerson; Gredit Suisse/Swiss Credit Bank; Bank of Tokyo International; Algemene Bank Nederland NV; Plerson, Hethring and Plerson; Gredit Suisse/Swiss Credit Bank; Bank of Tokyo International; Chemical Bank International; Chemical Bank; Daiwa Europe NV; Credit Commercial de France (Chemical Bank; Daiwa Europe NV; Credit Commercial de France (Securities); EBC Aurro Bank; LTCB International; Robert Fleming and Co.; First Chicago; Goldman Sachs, International; Corporation; Harshros Bank; Bl. International; Robert Fleming and Co.; First Chicago; Sambel Montago and Co.; Stanley International; Nidoo Securities Company (Europe); Nomisra International; Orion Royal Bank; Samest Montago and Co.; Società Generale Strauss Turnbull; Sumitomo Fisance International; Swiss Bank Corporation International; S. G. Warberg and

Convertible Bonde: Demonstrated in dollars unless otherwise indicated. Chy. day—Change on day. Chy. date—First date for conversion late shares. Cay. price—Notateal amount of bond at share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price.

102¹2 97 104¹3 105¹4 105¹4 100¹2 100¹2 106¹2 106¹2 106¹2 106¹2

Totoku Elec, Per. 47, 96... ISX Corpn. 54, 98

Lloyds awarded facility mandate by Sonatrach

By Our Euromarkets Editor SONATRACH, the Algerim state oil and gas corporation, has mandated Lloyds Merchant Bank to arrange a £75m bankers' acceptance facility to finance its exports. Although the terms are not Although the terms are not strictly comparable with those of loans for Algerian borrowers last year, they represent a continuation of Algeria's acceptance of progressively tougher

borrowing conditions in the face of slower economic growth. The revolving facility, guaranteed by Banque Nationale d'Algerie, is for five years, shorter than other

recent loans. Sonatrach will pey a 62.5 basis point accept-ance commission on three-month drawings, and 70 basis points for drawings up to six months. Banks will receive a 25 basis point commitment com-mission on undrawn balances.

mission on ungrawn ratheres.
They will also be paid frontend fees ranging down from
87.5 basis points for commitments of £7.5m. Another Algerian borrower, Credit Populaire, is also sounding out the market through Long-Term Credit Bank of Japan for a lean believed to be of the order of \$100m on terms which will also be more generous to banks than those of last year. Banque Nationale d'Algerie's \$250m deal, mandated last November, was for eight years at above Landon inter-bank

L M Securities wins licence in Japan

By ian Rodger in Tokyo T.W SECURITIES, an affiliate of Chase Manhattan of the US, has obtained a securities licence from the Japanese Ministry of Finance (MoF) and plans to open for lustness in Tokyo in April.

LM Securities, a 50 per cent-owned branch of Laurie, Milbank, the London stockbroking firm owned by Chase, was invited by the MoF to apply for a licence last was invited by the Mol' to apply for a licence last October, but delayed its application because it was preparing new premises.

The initials in its name were apparently adopted because the Japanese authorities were unhappy about the presence of the syllable "bank" in the name of a securities company.

securities company,
Mr Robert Binney, senior
vice-president and general
manager of Chase in Japan,
said yesterday that the branch would open with a staff of 40.

The management of Chase's substantial sales of US government securities to government securities to Japanese investors would be transferred from New York to LM, as would some of the Euromarket activities from London, Mr Binney said.

Westpac steps up investment banking thrust By Our Financial Staff

WESTPAC, the large Australias bank, is to strengthen its investment banking presence with the transfer to of Mr Adrian, who will be res-Fletcher, ponsible for international capital market and treasury

Mr Fletcher is currently general manager for group plauning, based in Sydney. He is a member of the bank's executive committee. In his new post as general manager for investment banking, he head a newly defined unit within Westpac.

Little change at Falconbridge

FALCONBRIDGE, the Canadian metals producer, overcame weak nickel and cobalt prices in the fourth quarter of last year to report earnings aimost unchanged from a year earlier.

Thanks to the contribution of Kidd Creek Mines, the northern Ontario zinc, gold, and silver producer which Falconbridge bought early last year, fourth-

Calberson teams up with Purolator

French transport and delivery market and has been seeking range of international services, group, has teamed up with for some time to penetrate the Competition in the French Purolater, the Canadian express French market.

CALBERSON, the leading groups in the North American tion at home and enlarge its

messenger service group, to es- Mr Didier Allavene, head of recent abolition of the French tend its international messenger Calberson's domestic network, post office monopoly for inter-

services operations, Paul Betts said yesterday that the deal national express messenger server from Paris.

Purolat, r is one of the top the French company fend off. Calberson had sales of about three express messenger service growing international competi- FFr 6bn (\$982m) last year.

Hofmann quits Merrill to join Shearson

By Alexander Nicoll, Buromarketa Editor

MR HANSGEORG HOFMANN is to leave Merrill Lynch, where he has been managing director in charge of the primary Eurobond area, and will join Shear-son Lehman Brothers International as an executive direc-

Mr Hofmann, 43, will be cohead, with Mr Peter Luthy, of Shearson's primary capital markets group and a member of its London management com-

Late last year, Merrill Lynch established a new five-man executive committee designed to allow fast decisions on key transactions in which the firm is involved. It omitted Mr Hofmann but included two of his colleagues on the bond side

All of these Securities have been sold. This announcement appears as a matter of record only.

242,788 Certificats d'Investissement of par value FF 100 each of L'Oréal S.A.

BANQUE NATIONALE DE PARIS

MORGAN STANLEY INTERNATIONAL

BANQUE INDOSUEZ

NOMURA INTERNATIONAL LIMITED

BANQUE PARIBAS CAPITAL MARKETS REGEFIS.A.

BANQUE BRUXELLES LAMBERT S.A.

BARING BROTHERS & CO., LIMITED

CREDIT LYONNAIS

GIROZENTRALE UND BANK DER OESTERREICHISCHEN SPARKASSEN

DRESDNER BANK MORGAN GUARANTY LTD

SHEARSON LEHMAN BROTHERS INTERNATIONAL

SOCIÉTÉ GÉNÉRALE

GENERALE BANK

ALGEMENE BANK NEDERLAND N.V. BANCA DEL GUTTARDO BANK GUTZWILLER, KURZ, BUNGENER

BANQUE GÉNÉRALE DU LUXEMBOURG S.A.

KREDIETBANE INTERNATIONAL GROUP

NIPPON KANGYO KAKUMARU (EUROPE)

MORGAN GRENFELL & CO. LIMITED

OSTERREICHISCHE LANDERBANK

J. HENRY SCHRODER WAGG & CO. Limbel WESTDEUTSCHE LANDESBANK GIROZENTRALE

PIERSON, HELDRING & PIERSON N.V.

BANK J. VONTOBEL & CO. LID.

BANQUE SCANDINAVE EN SUISSE

ARAB BANKING CORPORATION (ABC) BANCA NAZIONALE DEL LAVORO

BANCA COMMERCIALE ITALIANA BANK FÜR GEMEINWIRTSCHAFT BANK MEES & HOPE NV BANK JULIUS BARR AND CO.

BANQUE DE NEUFLIZE SCHLUMBERGER MÂLLET BANQUE INTERNATIONALE A LUXEMBOURG S.A. BANQUE PRIVÉE SA BARCLAYS DE ZOETE WEDD CREDIT AGRICOLE DG BANK

DAIWA EUROPE LIMITED CREDITANSTALT-BANKVEREIN EBC AMRO BANK LIMITED ROBERT FLEMING AND CO GENOSSENSCHAPTI<u>I</u>CHE ZENTRALBANK AG

GOLDMAN SACHS INTERNATIONAL CORP. HILL SAMUEL & CO IMI CAPITAL MARKETS (UK) LTD. ISTITUTO BANCARIO SAN PAOLO DI TORINO KOOLIMAN EFFECTENKANTOOR N.V. LLOYDS MERCHANT BANK LIMITED

SAMUEL MONTAGU & CO. THE NIKKO SECURITIES CO., (EUROPE) LTD. SAL. OPPENHEIM JR. & CIE.

ORION ROYAL BANK PICTET INTERNATIONAL LTD. PRUDENTIAL-BACHE SECURITIES INTERNATIONAL

SWISS YOLKSBANK M.M. WARBURG-BRINCEMANN, WIRTZ & CO. TAMAICHI INTERNATIONAL (BUROPE)

February, 1987

Salomon Brothers Inc is pleased to announce that it has opened a subsidiary in Germany

Salomon Brothers AG

Große Gallusstraße 10-14 Frankfurt am Main 1

Telephone (69) 20241

Telex 412626 414248

Facsimile (69) 282006

Salomon Brothers Inc

MINTER ELLISON

AUSTRALIAN SOLICITORS

The law firms of Minter Simpson, Ellison Hewison & Whitehead and Gillotts are pleased to announce that from 1 February, 1987 they will practise as Minter Ellison. Minter Ellison advises on all aspects of Australian commercial, banking and finance, taxation and property law.

> **London Office** 15 Lincoln's Inn Fields, London WC2A 3ED Tel: 01 831 7871 Fax: 01 404 4610

Minter Ellison also has offices in the following cities:

Melbourne 379 Collins Street Melbourne 3000 Tel: (03) 618 6333 Fax: (03) 614 1339

Sydnev 68 Pitt Street Sydney 2000 Tel: (02) 232 8644 Fax: (02) 235 2185

Canberra 8-10 Hobart Place Canberra 2600 Tel: (062) 48 7533 Fax: (062) 49 8208 Singapore 1 Bonham Street #24 04 **UOB Building** Singapore 0104 Tel: 533 2466

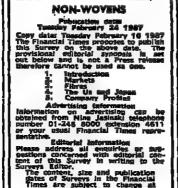
Fax: 534 4892

PIMA Savings and Loan **Association** US\$100,000,000 Floating Rate Notes

In accordance with the terms of the Indenture, notice is hereby given that the Rate of Interest for the period Ig. February, 1987 to 15t May, 1987 has been fixed at 6.5625 per cent per amunt. The Interest Amount, as defined, of US\$16.22 will be payable on 1st May, 1987. ayy de Zoete Wedd Limited

KANSALLIS-OSAKE PANKKI US\$100,000,000 Floating Rate Capital Notes 1992

in accordance with the provi-sions of the Notes, notice is hereby given that the Rate of interest for the next interest Interest for the next arrange. Period has been fixed at 6% arrange. The per cent per annum. The Coupon amount will be US\$161.83 for the US\$5,000 denomination and U5\$8,091.58 for the U5\$250,000 denomination and will be payable on 4th August, 1987 against the surrender of Coupon No. 7. nufacturers Hanover Limited Agent Bank



INTERNATIONAL COMPANIES and FINANCE

Stefan Wagstyl profiles an expanding Australian stock exchange

Perth thrives on a boom in gold

small visitors' gallery at the stock exchange to watch the action on the floor.

Mr Quentin Amos, a stockbroker, has no doubt why they do it. "This is certainly the place in the world to trade stock. This is still a market

stock. This is still a market where you can triple your money in a day."

It caused little surprise in Perth when a study by the Australian Associated Stock Exchanges found the proportion of people owning shares in Western Australia was higher than in any other state—13.5 per cent against an average of 9.2 per cent. The survey commented on the "boldness" of Western Australian investors, saying that it was probably no saying that it was probably no coincidence that the state had both the highest incidence of share ownership and of share-holders investing for short-term

with Australian stock market indices close to record levels, investors have needed no encouragement, particularly in acking local companies in the apanding Western Australian conomy. Mr Rod Bennetts, nublicity manager at Perth stock Exchange, says: "Every-ne knows someone who's made noney." Perth entrepreneurs Mr Alan Bond and Mr Robert dolmes & Court are household names and there's no shortage of companies looking for

restors' money.

There were 144 flotations in the year to June 1986—double the 1984-85 total. This year's algure is expected to be even ligher. To cope with the rush of young companies. Perth was he first of the country's stock exchanges to start a second market, modelled on London's unlisted securities market.

High technology issues have been popular, among them Mr Ralph Sarich's Sarich Tech-nology Trust, which is develop-ing a new form of combustion ing a new form or composition engine. Capitalised at more than A\$300m (US\$529hn), it has the highest rating of any of Australia's top 150 compania; in terms of value put on its assets, which are mostly in development projects.

THE STOCK MARKET is second only to the America's Cup Races as a topic for conversation in mining, especially in gold, stocks. Investors are after the technology sector. The case perith, the Western Australian capital.

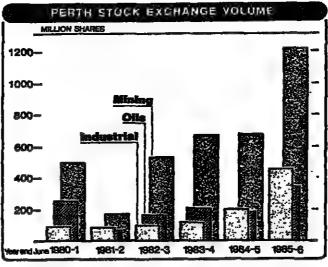
Investors swap tips in the had a nickel boom, now we have street and in the bars. At a gold boom." Fuelled by the lunchtime many crowd into the small visitors' gallery at the shout A\$\$50 an oz in January Australia's biggest gold proabout A\$350 an oz in January
1985 to above A\$600 now, the
Australian gold index has
trebled over the same period.

It won an extra boost late

Suesight W. Western minns,

Australia's biggest gold producer, announcing plans to expand the Lady Bountiful mine.

There have also been some
spectacular failures. Central



exemption from tax. Although gold shares are traded in all six of Australia's loosely-linked exchanges, many of the companies are based in Perth and nominate Perth as the home exchange. Gold exploration companies account for about half of Perth's new issues.

Perth and the other Austra-lian stock exchanges plan to smalgamate later this year. The move will allow settlements to be centralised and pave the way for the eventual introduction of computerised on-screen trading alongside traditional floor trad-

last year when the Federal Kalgoorlie Gold Mine shares Government decided against soared last year to a high of scrapping gold companies 86 cents after achieving every explorer's ambition of opening a mine, But the development a mine, But the development was unprofitable and the shares have since fallen to 35 cents. There are dozens of companies with shares languishing below the issue price, often groups which have run out of funds after mending exploration budgets and finding nothing commercially viable.

Regulators have their work cut out keeping track of the market. Officials at the state government's Corporate Affairs Department say the law has been greatly tightened up since fraudulent promoters were causely mideading investors. Substantial companies have been created—Australian Consolidated Minerals has seen its shares go from 40 cents in 1985 to above 600 cents, giving it a market capitalisation of nearly A\$500m.

Western Australians trade these stocks daily. Mr Amos no stock exchange scandals insays he gets 20 calls from clients in fraudulent promoters were caught misleading investors was easily 1970s, in one case resorting to the oldest trick in the industry — "salting" samples with metal to improve drilling results. This time around, say the officials, there have been no stock exchange scandals insays he gets 20 calls from clients

A\$1. The Corporate Affairs Department is also investigating DTX Australia, an electronics company which allegedly made extravagant claims for its products in order to support its stock market flotation

Manage companies and their

Mining companies and their backers are not free of scrutiny. The Corporate Affairs Department is prosecuting Wheeler Grace and Pierucci, an investment broker, on 375 counts of allegedly infringing prospectus law in promoting Carbon Gold Unit Trust

The National Companies and Securities Commission warned last year against the dangers of overvaluing intangible assets,

Mr Ray Porter, senior partner Mr Ray Porter, senior partner in stockbroker Porter and Partners, argues that a young fast-growing economy is bound to generate companies with short track records or with none. It is essential that these groups can raise capital, he says.
"In any market there are

blue-chip and casino-type stocks. In Perth there are more casho-type stocks."
Mr Porter admits that brokers

Mr Porter admits that brokers in the more established financial centres of Sydney and Melbourne see Perth as an exchange with "cowboys"—or financiers who break or bend the regulations. But he says that has not stopped eastern state stockbrokers from buying into seven out of Perth's 11 member firms. Mr Porter argues that more rules do not necessarily improve rules do not necessarily improve investor security. "I do not mean to be cavalier. But the only way to stop bank robberies is to close the banks. It's the same with the stock exchange."

HWT likely to sell off radio and TV stations

Thom acqui

fother gill

12 1 V2 12

11 1

Tu

By Chris Sherwell in Sydney THE HERALD and Weekly Times (HWT) media group yes-terday confirmed that it would this week consider the disposal of all its television and radio assets, clearing the way for an agreed A\$2.3bn (US\$1.52bn) takeover by News Ltd, the company associated with Mr Rupert

The Australian Broadcasting Tribunal, the independent watchdog agency which began hearings yesterday on foreign control of Australia's broadcast media, was told that the HWT board would consider the sales

tomorrow.

The sales would allow News
Ltd to acquire control of HWT
without having to worry whether
its recent restructuring would
successfully avoid regulations
preventing a foreign-owned
company holding more than 15
per cent of an Australian broadcasting license.

Although the aim of the
change was to reduce the voting
ahare of Mr Murdoch in News
Ltd to the legal ceiling, the

Ltd to the legal ceiling, the tribunal ordered its hearing after a federal court ruled that Mr Murdoch still controlled two television stations, in Sydney and Melbourne.

HWT's action to facilitate the legal television to facilitate the legal ceiling the

HWT's action to facilitate the News Ltd takeover was first foreshadowed last week, when the company told the Victoria Supreme Court that it was considering "such steps as are appropriate and as are within its power to avoid breaches" of the Broadcasting Act.

The terms of the sales have already been broadly agreed.

The terms of the sales have already been broadly agreed. Mr Robert Holmes a Court will purchase HWT's Melbournetevision station for A\$160m. Mr Kerry Stokes, another Perth businesianan, will buy HWT's stake in an Adelaide television station and five radio stations for A\$110m.

In a third transaction, West-

At the end of the day investors will only complain if they are hurt. For as long as the market in Australian gold stocks remains buoyant, there are likely to be few criticisms. But it there is a severe fall, fortunes will be lost in Perth. Then people will start looking at the fine print of documents and regulations. Mr Amoa says: "In a buil market investors are greedy. They stop being greedy when it is too late."

station and five radio stations for A\$110m.
In a third transaction, Westfield Capital Corporation, through Northern Star Holdings of Brishana, will purchase two radio stations and five radio stations for A\$110m.
In a third transaction, Westfield Capital Corporation, through Northern Star Holdings of Brishana, will purchase two radio stations in Queenslet for the Sydney-based Fairfax group, which is trying to outbid News Ltd takeover through legal action.

Net falls 74% at Kuwait Petroleum

petroleum Corporation (RPC) suffered a 74.2 per cent net profit fall in the year to June to RD 54m (\$154.4m) and what was described as "all-out chaos" in the oil market, Reuter reports from Kuwait.

A KPC announcement said the results would have been the results would have been worse but for a 24 per cent rise in crude output.

Sheikh All al-Khaiffa al-Sahah, the Oil Minister, has said Kriwait, which can pump up to 4m barrels per day (b/d), produced 1.886m b/d in 1985-86.

This avelyded 87,400 bd

This excluded 67,400 bd from the Neutral Zone bordering Saudi Arabia, Sheikh Ali, in a statement to be included in the annual report, was quoted as refer-ring to "the all-out chaos that prevailed in the oil market."

He said the Kuwaiti-owned network in Europe, with oil refining and retail distribution outlets in Scandinavia, Italy, and the benefux countries, had helped to alleviate the impact of the market

Carlton Paper increases earnings and turnover BY JIM JONES IN JOHANNESBURG

CARLTON PAPER, the 38 per Chube Heldings, the quoted cent-owned South African associate of Kimberly-Clark of the sidiary of Racal-Chubb, interested its profit decline creased turnover and profits in in the second half of 1988. The helf-year to October 108. improvement to continue but from R37.5m and pre-tax profits warn that economic recovery is not yet fully entrenched.
Turnover increased by 11.7
per cent to R198.6m (\$96.5m)
from R177.9m and pre-tax

profits were 7 per cent higher at R15.6m against R14.6m. Mr Keith Partridge, manag-ing director, says the rate of increase of dollar-based raw materials prices abated and a

marketing effort in higher sales resulted rolumes. Earnings per share increased to 53.3 cents from 53 cents and the dividend has been main-

were R2.17m against R1.50m. South African crime figure are on a sharply rising trend, particularly burglaries and thefts of cars. Short-term in-surers have increased premium rates and insisted that clients take additional precautions to protect their belongings.

Chubb's first-helf carnings per share rose to 20.6 cents from 16.5 cents and the interim dividend has been lifted to 7 cents from last year's interim 6 cents. Fer share earnings totalled 40.8 cents in the last financial year and a total divi-dend of 17 cents was paid.

NZ bank buys into Kupe

It bought a 27.1 per cent stake from McConnel Dowell and an-other 20 per cent from Mr Graeme Hamilton, Kupe man-aging director. The purchase

EURO-NATIONAL, an Auck-land-based merchant bank and the issue of Euro-National shares investment group, yesterday announced the purchase of 47.1 subject to Commerce Commis-

nounced the purchase or \$7.1 subject to Commerce Commisper cent of Kupe, a listed investment company, for NZ\$209m
(\$US\$113.1m), Reuter reports
from Wellington.

It bought a 27.1 per cent stake
from McConnel Dowell and another 20 per cent from Mr Euro-National will sell all its

property investments to Kupe for an unspecified consideration.

NORWAY'S FOREIGN EXCHANGE BANK

Union Bank of Norway is one of the biggest and most experienced participants in the Forex market with particular expertise in Scandinavian currencies.

We also offer a complete range of asset and liability management services. This includes currency options, financial futures and interest rate and CUITERCY SWADS.

Please contact Bjørn Kaaber or Knut Grimsen in Norway. Tel: (472) 31 90 50. Telex: 19550 UBN FX. Union Bank of Norway is known domestically as

Also with subsidiary in Luxembourg and Representative offices in Copenha



Professional Service Industries, Inc.

has been acquired by a wholly-owned subsidiary of

Inspectorate International S.A.

We acted as financial advisor to Professional Service Industries, Inc. in this transaction and assisted in the negotiations.

Merrill Lynch Capital Markets

January 1987

DAR AL MAAL AL ISLAMI TRUST

In the name of Allah, the Beneficient, the Merciful "Eat ye of the fruit thereof when it fruiteth, and pay the due thereof upon the harvest day" Truthful is Allah the Magnificent



Profit Distribution



It was decided by the Fifth Annual General Meeting of owners and bearers of Equity Participation Certificates which took place in Sharjah, United Arab Emirates on 10 Rabi Al Thani 1407 AH corresponding to December 11th, 1986 to distribute one dollar and a half or its equivalent in local currency as profit on each unit for the financial year ending 23 Shawwal 1406 AH corresponding to June 30th, 1986. This represents a 50 per cent increase over the dividend distributed last year.

In order to collect the profit shareholders are invited to contact or call at any company, office or bank mentioned below from the date of publication of this announcement. To this end, they are kindly requested to bring along the Equity Participation Certificates and a document proving identity. Shareholders who did not withdraw their profit for the previous financial are urged to do so on this occasion. Allah is the purveyor of

Dar Al-Mall Al-Islami (DMI) SA Shareholders Relations Department 84, Avenue Louis-Casai CH-1216 Cointrin, Geneva Phone: (022) 98 40 40 Telex: 28391 Shar ch

London Islamic Investment Co. (IIC) 10 st. James's Street, London SWIA IEF.UK. Phone: (01) 930 2495/6.4971

Massraf Faysai Al-Islami (MFI) Norfolk House, 3rd floor. Frederick Street. P.O. Box 9935 Nassau, Bahamas Phone: 809 322 1461/4 Telex: 20274 massraf.

UK COMPANY NEWS

Thomson T-Line to acquire Taddale

£825,666 (£364,807 loss) on sales of £11.2m (£9.3m) for the six months to October.

TTL said that the proposed acquisition was part of its effort to expand its esset and tracting base. It was especially interested in Taddale's elec-tronics, cable distribution and

Thomson T-Line has agreed reported a pre-tax loss of £2.1m to pay £11.1m for Tandale and announced a plan to shift Investments, another industrial industrial from "speculative dealings in holding company.

The offer would end the mercurial independence of OTC-quoted Taddale, which yesterday reported a pre-tax profit of \$25,668 (£364,807 hoss) on was killed in an air crash in seles of \$11.20 (£9.30) for the output of \$1.00 for the southern Africa in August.

Among the legacles of his era is a \$1.78m claim by Banque Hypothecaire du Canton de Geneve over certain securities transactions. TTL said that it had taken account of the claim in determining the terms of its

speciality chemicals operations but less likely to retain the oil trilling equipment division.

Mr Roy Simmons, Taddale managing director, is to become chief operating officer of the combined group.

Taddale's founder, Mr Michael Carlton, resigned in May 1965 when the company

Unilock £3.7m purchase

BY JANICE WARMAN

The state of the s

of the set

will by the Action of The state of

transene k tal Control them Surger will purce; s in Openie

TO DE A PERSONAL PROPERTY AND P

ing to or the

ne of their

s in the k

n Scandian

nga oj asti is includaj

interestati

nut Grief 19550 180

المتانا وجرجون

1,500,0075

ं देशीय दर्भ

भवाशिक्ष र्ह्म

·252615 \$ 6

y company

10uncemail

Certificale

is profil it

en end f

Unilock the office partition-ing specialist which gained a full listing in July 1986, has acquired HCP, perimeter heat-ing systems manufacturer, for an initial consideration of £3.7m.

HCP, which was established in 1972, expects to produce pretax profits for the year to March 31 in excess of £500,000 before exceptional items of £60,000. In the year ending March 1986 it showed profits of £438,000 on a turnover of £3,85m.

systems and the manufacture of steel casings and cladding for building interiors, Mr Dayld Brooke, chief executive of HCP,

said yesterday. He confirmed that Unilock was actively looking for further acquisitions in related products

Of the initial consideration £370,000 will be in cash and the rest in shares. Unilock may have to pay up to a further £702,000 if pre-tax profits to March 31 exceed £520,000.

HCP was one of the market profits of 2902,000 on turnover leaders in the computer-aided design of perimeter heating to September 27, 1986.

Fothergill urged to respond

Courtaulds, the international textiles, chemicals and indus-trial products group, yesterday called on Fothergill & Harvey, the Lancashire-based manufac-turer of advanced and electrical insulation materials, to state its response to the improved offer.

Fothergill deferred an expected response to Countaulds' offer on Friday because it said it had received an alternative approach.

Courtaids yesterday sent its improved offer to Fothergill

bids were the £2.6bn takeover by Hanson Trust of Imperial

Group, followed by the sale of Courage, Imperial's brewing

subsidiary, to Elders IXL for £1.4bn. But many of the star-bids were for overseas, usually US targets, which were only partially reflected in trading on London stock markets.

paint firm, from Hanson Trust.

end of October. Much of the institutional business in both

BRITISH FUNDS Short dated (5 years or

IRISH PUNDS

less to run) Others (over 5 years)

Short dated (5 years of

less to run)
Others (over 5 years)
UK LOCAL AUTHORITY

OVERSEAS GOVERNMENT

OTHER FIXED INTEREST

ORDINARY SHARES

cash or loan note terms from 225p to 300p. The share offer is nine-for-11. With Courtaulds up 17p to 397p, that values each Fothergill share at 324p. Yes-terday, they closed up 16p at 318p.

318p. Mr Sipko Hulsmans, a Courtaulds director, said yeserday that by considering an alterna-tive approach, Fothergill could no longer argue that indepen-dence remained an option.

"The options for Fothergill

Courtaids yesterday sent its are now closing. They will either improved offer to Fothergill have to disclose an alternative, thareholders.

Courtautis, has increased its recommend our offer of courtautis, has increased its recommend our offer he said.

Goode Durrant has 10.5% of Perry

-Goode Durrant & Murray, the trade finance, banking and property group with strong Australian links, announced yesterday that it had built up a 10.5 per cent stake in Perry Group, the Ford and GM main

Impala Pacific Corporation, an investment holding sub-sidiary of Mr Brian Judge's Ariadne Australia Group, took a major stake in Goode Durrant late last year and an-nounced plans for new UK ac-quisitions.

Another Australian company.

Mr Ron Brierley's IEL, has beld a stake of about 10 per cent in Perry for some time. It was not clear last night whether he had sold this on to conduct the control of the c Goode Durrant, which pur-chased most of its stake on

January 26.

However, Perry said last night it had received no notification of a stake sale by Mr Brierley, which suggested he was still a shareholder.

Shares in Perry closed at 185p last night and the day.

last night, up 12p on the day, giving the group a market capitalisation of some 534m. Wickes £30m facility Wickes, USM-quoted DIY

retailer, has announced a £30m eight-year unsecured facility arranged via a syndicate of international banks headed by S. G. Warburg.
Mr Henry A. Sweetbaum,
chairman and chief executive,

said: "The substantial growth planned for our UK store net-work encouraged us to develop this financing concept." He added that "the funding

will facilitate our ambitious UK store opening programme, enabling us to maintain a planned level of freehold sites without burdening the group's balance sheet with property related debt.

related debt.

Wickes achieved taxable profits of £2.79m on sales of £66.88m in the six months to July 26 1986.

A joint venture company, Berners Street Properties, is to be formed by Wickes and the banking syndicate through which Wickes will be entitled to substantially all of the growth in the value of the properties owned by Berners.

Berners is to be financed by a combination of bank debt and subordinated loans. The subordinated loans. The company will purchase edge-of-

DTI investigates **Bremner holders**

BY DAVID THOMAS

and Industry Secretary, yesterday announced the appointment its policy.

Financial, the corporate finance house with which it once planned to merge. Mr Andrew Greystoke, who heads CWF, will attempt to replace Mr strongly denied that the subject of the investigation would relate to any way to CWF. He said that

The inspectors, who are in any way to CWF. He said that the inspectors, who are cwf-is take in Bremner, which capected to be named soon, was about 27 per cent, had all have been appointed under been declared in an open way. Section 442 of the 1965 Companies Act. This is concerned with determining the true gation, which would not have identity of people who are any impact on his actions at the financially interested in the

MR PAUL CHANNON, Trade success or failure of a company, and Industry Secretary, yester. or who can control or influence

of inspectors to investigate the shareholders of Bremner, the controversial property group day he was concerned with the headed by Mr James Rowland-movement of large blocks of Jones.

Mr Rowland-Jones, who asked for the investigation, said yester-day he was concerned with the movement of large blocks of shares "which have been day he was concerned with the movement of large blocks of shares "which have been happening near enough since I row with City and Westminster became chairman."

Cowan de Groot up 13%

taxable profits up 13 per cent from \$773,000 to £875,000 as sales increased by 30 per cent to £21.26m in the six months to October 31 986.

The interim dividend is onchanged at 1.25p.

Tax took £230,000 (£211,000), while there was also an extra-ordinary charge of 2115,000 against £117,000 last time. Earn-ings per 10p share fell to 2.9p from 2.6p.

Despite the profits g-rowth, Mr Derrick Cowan, chairman, identified problems in all of the Group's trading activities during the period.

The planned expansion and development of professional examination tuition concern Foulks Lynch, acquired in June of last year, required the en-gagement of additional lectur-

Cowan de Greet, the toy manufacturer and electrical show through in 1987, he said. Mr Cowan added that the diversified into the communication and services field, reported taxable profits up 13 per cent from £773,000 to £875,000 as sales increased by 30 per cent appraised.

appraised.

The toys and giftware division had a difficult six months with both turnover and margins under pressure.

Margins were also under pressure at the Irish electrical and hardware operations, where despite a substantial upturn in turnover, profits suffered due to the economic climate.

Expressing caution, Mr. Cowan stated that traditionally a high proportion of profits were generated in the first half of the figureial year, and that the second half would be affected by rationalisation and

The group's policy of expand ing into the growing communi-cations and services fields led ing staff and premises which the directors to believe that reduced short-term profitability. the quality of future earnings The full benefit of these de-would be enhanced, he said.

BOARD MEETINGS

TODAY
Interiors:—Anglo United, D. Y.
Devies, Howard Shuttering, Meet Trade
Suppliers, Property Security Invest-
ment Truet.
Finals:Phoenix Property and
Finance, Unitech.
PUTURE DATES
(attering)
Dallan CC H \ - Esh O

					_	
r.	Weish	Industrial	Invest,	Tst.	Feb	4
	Finel	84				
4.		C Enterpris				
ıd		& Colonia				
		Hordic				
	Securio	Of		100 7 7000	***	10
		orton USM NesiaT 200				
•	-3.40 1	GAR 1 MIGGIL	HARL DISCOURS		BOOK L	84

This announcement appears as a matter of record only.



Lucas Industries plc

£117,000,000

Multiple Option Financing Facility

Arranged and Managed by

J. Henry Schroder Wagg & Co. Limited

Canadian imperial Bank of Commerce Commerzbank Aktiengesellschaft, London Branch Continental Illinois National Bank and Trust Company of Chicago Crédit Lyonnais, London Branch

Lloyds Bank Plc

The National Bank of Kuwait SAK, London Branch National Westminster Bank Group Union Bank of Switzerland, London Branch

Algemene Bank Nederland N.V., Birmingham Office

Australia and New Zealand Banking Group Limited Barclays Bank PLC Bayerische Landesbank Girozentrale Westdeutsche Landesbank Girozentrale

Banque Nationale de Paris p.l.c. Crédit Commercial de France, London Branch J. Henry Schroder Wagg & Co. Limited

Additional Tender Panel Members Banque Paribas (London) The Chase Manhattan Bank, N.A. Hessische Landesbank Girozentrale Morgan Grenfell & Co. Limited The Sanwa Bank, Limited The First National Bank of Chicago

Lloyds Merchant Bank Limited

Sterling Commercial Paper Programme

Barclays Bank PLC County NatWest Capital Markets Limited Morgan Granfell & Co. Limited J. Henry Schroder Wagg & Co. Limited

Issuing and Paying Agent Lloyds Merchant Bank Limited



STOCK EXCHANGE BUSINESS IN 1986

Turnover surges 72%

BY TERRY BYLAND



gilt-edged and equities now goes straight to the marketmakers and is traded in the form of net

size, at £23,700, also continued to rise, adding £4,700 from the average for the previous year.

In this category was Prudential's £420m bid for Jackson National Life. Allied-Lyons £420m bid for a majority stake in Hiram Walker drinks business in Canada and ICT's £400m In the gilt-edged market, where the number of market-makers jumped from, effectively three, to a theoretical 27 on Big Bang Day, October 24, turnover increased by 33 per cent to £348,46hn last year.

Government bonds were active throughout the year as London generoused to the saines. purchase of Glidden, the US The strength of takeover business, which carried through into the final weeks of 1986, masks changes in trading trends as a result of Big Bang, at the

London responded to the swings to £30.57bn, remained buoyant in major world currencies and as a stronger pound raised global investors searched out hopes for base rate cuts.

DECEMBER 1986

the prospects for world interest rates. A fall of 2.8 per cent to 735,545 in the number of bar However, the number of bargains in equities also jumped of the multipartioned funds in the ukinationed funds in the UK markets.

Total turnover, both gilts and the number of bargain alte, at £23,700, also continued

Total turnover, both gilts and equities, gained 4.6 per cent to £570,31bn in the year. The pace slackened in December, when showed only a minor rise of 2.7 per cent. Equity trading, showing a rise of only 6.3 per cent at £22.81bn reflected v ries over the spreading insider trading scandals which damped down speculative activity. Gilt turnover, up 9.3 per cent to £30.57bn, remained buoyant

BBC

General Appointments

Director-General

Following the resignation of Mr. Alasdair Milne, the Board of Governors now invites applications for the post of Director-General of the BBC.

Suitably qualified candidates should address their applications to The Chairman, Mr. Marmaduke Hussey, at the British Broadcasting Corporation, Broadcasting House, London WIA IAA, to arrive no later than 10th February 1987.

Envelopes should be marked "Confidential

Classified Advertisement Rates from January 1st 1987

apium em (min. 3 ems) (min. 3 iines) 12.50 43.00 12,00 41.00 9.50 32,00 12.00 4Y.00 12.00 41.00 9,50 37,00 12.00 41.00 Book Page 22.00 30.00 Pramium positions svaliable 69 per Single Column om extra (Min 30 cme) All prices suclude VAT For further details write to

Classified Advertisement

MARRIET

Francial Times

18 Cannon Street, EC4P 4BY

FINANCIAL CONSULTANT

The London Fixed Income Unit of a major international The London Fixed Income Unit of a major international investment group requires a CFTC registered Financial investment group requires a CFTC registered Financial Consultant experienced in financial futures/options sales/trading, aged 25-30, able to act as advisor to major accounts, including preparation of marketing material, within Scandinavia, Central Europe and Far East, represent the firm's financial products and develop new business. Must have sound grasp of economics related to above-mentioned areas, ability to rapidly analyse fiscal, monetary and political news and relate it to financial markets and elients' portfolios. Computer literacy and the application of financial models it essential applicants cheesely have four to five years' relegant apprisoner. Applicants should have four to five years' relevant experience and be educated to MBA standard. Salary negotiable.

Write Box A0400, Financial Times 10 Connon Street, London EC4P 4BY

Company Notices

s Capital Variable Boulevard Royal, Luxembour R.C. Luxembourg B-2332

DIVIDEND ANNOUNCEMENT Olympian Announcement The Pacific Growth Fund will pay a dividend of USSO 25 on February 4, 1997 to registered shareholders at the close of business Jesuary 20, 1987 and shares will be traded exclividend after Jesuary 20, 1987. The dividend is perpaise to holders of bearer shares against presentation of coupon No. 1 to

The Board of Director

USSSOO,000.000 FLOATING RATE SENIOR NOTES DUE 1999

ORDINARY SHARES OF 258 7% REDEEMABLE PREFERENCE SHARES OF £1 NOTICE IS HERESY GIVEN that Transfer Books And Registers of Mem

Contracts and Tenders



ET BES INDUSTRIES CHIMIQUES ET PETROCHEMIQUES ENTERPRISE NATIONALE DE RAFFINAGE ET DE DISTRIBUTION DES PRODUITS PETROLIERS "HAFTAL"

NOTICE OF INTERNATIONAL SALE

MINISTERIE DE L'ENERGIE

The National Company "NAFTAL" is offering for sale in 1987 20,000 tonnes of used

This quantity is deliverable from the port of Algiers in cargoes of 2,000 tonnes and from the Port d'ORAN in cargoes of 1,500 tonnes.

Companies interested in this Notice of Sale should send applications to: NAFTAL DIRECTION MONOPOLE & IMPORTATIONS ROUTE DES DUNES CHERAGA (TIPAZA)

Telephone: 81 09 69. Telex; 63 127 or 63 128 or 63 137 or 63 138 Applications should be sent to the above address within forty-five (45) days of the date of publication of this notice. on to the above address, the envelope should be marked as follows:

"AVIS DE VENTE HUILES USAGEES."

* Average of all securities.

no. of daily 10,654.4 19,914.7 507.4 948.3 20 29 35.0 29,967 664.6 MU 53.7 1,455.7 2,412 381.2 29.6

632 945 521 7,627 25,957 183.2 403.4 56.8 288.6 30 45 25 343 18.7 1.4 104.8 0.1 0.7 1,236

3,086.3

24.1

\$5.0*

45,168

49,219*

TOTAL

22,872.8

56,954.1

40,0

100.0

948,536

1,034,872

PACIFIC GROWTH FUND

BANQUE INTERNATIONALE

CHEMICAL NEW YORK CORP.

Pineapple

Premium

Pen deal

By Janice Warman

Pineapple Group, the USM-traded dance studio and

marketing group, has announ-

ced the acquisition of Premium Pen, a promotional

products company, for £7.4m. Shares in Pineapple Group, which went into loss in 1985,

in £7m

Hill Samuel hits out at FAI chief

BY NICK BUNKER, INSURANCE CORRESPONDENT

Hill Samuel, the banking and Hill Samuel's chief executive, financial services group, has said he had not arranged any said it is determined not to meeting with Mr Adler, who give any role in its manage was in London yesterday ment to Mr Larry Adler, the announcing FAI's interim Australian financier.

Mr Adler is chairman of FAI Insurances, the Sydney-based whether he was planning to general insurer which is now increase his stake. He said it Hill Samuel's biggest share-had been acquired as "a long-holder. It emerged last night term investment" and the that FAI had built up a 14 per cent stake in the group since it prospects. "There is no present began buying Hill Samuel's intention of selling," he said. He pointed out that it would were priced at 360p. They be "commercially unethical" closed yesterday unchanged at however to turn down any

make it clear that FAI was acting "without consultation or board, but a director from a

agreement." company with a record like Mr Christopher Castleman, FAI's would benefit any board.

Mr Adler refused to say UK's economy offered bright

515p. especially attractive offer and Hill Samuel said it wished to added that FAI had not asked for a seat on Hill Samuel's

of confidence" in the group's management.

Hili Samuel's statement came strongly-worded letter to share-holders.

Sir Robert Clark, group chairman, said it had written last month to Mr Adler telling him that the board believed it was not in the group's interest for any shareholder to have more than 10 per cent.

" A shareholding in excess of that level could raise in the minds of clients and employees questions of involvement or influence by such a shareholder.'

Sir Robert said FAI had taken as the Banking Bill" because it its stake well in excess of 10 had not yet become law.

He said FAI had "a degree per cent "notwithstanding our f confidence" in the group's clearly expressed views." Hill Samuel's board was firmly re-solved that FAI "should have no influence or involvement in the management of Hill Samuel or its husinesses."

Mr Adler had earlier told reporters that he saw no reason why he should listen to arguments that he should not take his holding above 10 per cent. FAI's holding in Hill Samuel

is politically sensitive because the new UK Banking Bill will give the Bank of England powers of veto if a shareholder wants to take more than 14.9 per cent of an authorised bank. But Mr Adler said yesterday that there was "no such animal

Insurer 16% ahead in opening six months

Australia's biggest general insurers, has reported record net after-tax profits of A\$70.1m (£30.5m) for the six months to December 31 1986.

The group said the figure represented an increase of 16.37 Earnings per share for the previous core.

represented an increase of 16.37

Farnings per share for the per cent on the previous comparable period, after deduction 5.2 per cent to 63.68 cents. Total

one of of a greatly increased tax group assets grew by 95 per cent the second half of 1985. Undergeneral expense of \$17.1m.

to \$1.48bn and shareholders writing profit increased by more from \$208.4m to than 400 per cent to \$7.4m.

Premium income at \$261.1m, bined insurance provisions to

FAI's 48

\$344.7m. The offustanding claims pro-Mr Larry Adler said sales of vision grew by £115.7m, while FAT's 48 member companies the unexpired risk provision grew by £100.6m, bringing com-

was nearly double the figure for \$515m.

Securiguard has strong second half

security services and contract cleaning group, yesterday announced a 40 per cent rise in pre-tax profit to fim, after a strong second half which benefited from the reorganisation of its security division.

The company joined the USM in 1983 but encountered problems the following year after the acquisition of Consolidated the acquisition of Consolidated Safeguards, another security services concern, and sustained a fail in profits in the 1984-85 financial year. With the 1985-86 results, however, Securigard has almost returned to its 1983-1984 profits of \$1.05m. 1984 profits of £1.05m.

Securigard ran into problems with the acquisition of Consolidated Safeguards, because it tried to integrate the business

Last week, a lawyer for Rumes, a Melbourne building materials manufacturer, said that the group would be start-

maintained the price of APA

Securigard, the USM quoted restructured into four regional sub-divisions. The company has recovered turnover lost during its difficulties and has returned to growth again,

Contract cleaning activities also expanded in the course of the year, although the competitive climate within the market has depressed margins. The company has won a new contract from the National Health Service, which will be worth to pay a final dividend of 3.5p sam over three years. It is (2.7p). of its cleaning activities outside its base in London and the

In the year to October 26, Securigard's turnover rose to £23.06m (£19.86m). The cost of sales increased to £15.58m to quickly with its existing (£13.29m) and administrative activities. It has now resolved expenses to £6.3m (£5.78m) these problems, however, and the security division has been (£785,000).

THE THREE City institutions named in Australia in connection with alleged share price manipulation during the APA Holdings bid for Humes have all issued statements denying any impropriety in their share dealings.

July. The bid was apparently the price at which it should be executed "and that it will challenge the commission's declaration as a "matter of urgency." The Merchant Navy Officer's well above the market level, blocked the Smorgons deal.

National Communication (Apparently of the price at which it should be executed "and that it will challenge the commission's declaration as a "matter of urgency." The Merchant Navy Officer's well above the market level, blocked the Smorgons deal.

The National Companies and Securities Commission, Australia's investment watch-

by Mercantile House, which acquired an 8 per cent stake

ing legal proceedings against 2 purchases "unacceptable" and Alexanders Laing & Cruick- if its declaration is supplied to the proceedings against 2 purchases "unacceptable" and Alexanders Laing & Cruick- if its declaration is supplied to the process of the proc

Alexanders Laing & Cruickif its declaration is sustained shank, John Govett, and the the shares will be lodged with Merchant Navy Officers' Pension the commission and then said. Fund, and against Mr Garry Most attention centres on Carter, the head of APA, Alexanders Laing and Cruickalleging that they all artificially shank, the broking firm owned has Mercantile House which

Unity-APA, the investment in Humes on December 2. Morbanking unit of APA Holdings cantile House has said that and Unity Corporation, first "there was a misunderstanding

launched its bid for Humes in about the size of the order and

DIVIDENDS ANNOUNCED

Current of ponding for last payment div year year Serkeley Govett 5†1 Mar 27 44 8 6.7 Cowan de Greet ...int 1.25† April 1 1.25 2.5 Securiguard 15 Mar 27 42 8 6.7 Textured Jersey ...int 2.25 April 1 2.25 27 3.5 2.7 Textured Jersey ...int 2.25 Mar 26 12 22.5 18 Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. § Gross US cents.

Interest payable increased to £135,000 (£71,000). The costs arising from the reorganisation of the security division produced an exceptional debit of £44,000 and the loss from the sale of the Cash In Transit division is expressed as an extraordinary (£36,000). debit of £83,000

comment

The City, so often so ruthless with once promising growth stocks when they fall upon hard times, has been uncharacteristically kindly in its treatment of Securigard. When the latter joined the USM the security and contract cleaning services sectors were at their most fashionable. Disenchantment

vertible preference shares in APA between June and September 1986. It also held

term investment in a good com

pany. Even after Guinness, I think institutions are still permitted to buy shares."

mergers may alleviate the pressure on margins, and there is lots of scope for regional expansion. All three start-ups have progressed well and are now in a position to make a more substantial contribution. The City expects profits of £1.5m, leaving the shares on a more manageable prospective p/e of 10.5. And Securigard, claiming to baye learnt from Humes allegations again denied

claiming to have learnt from
past mistakes, plans to pursue
its aim of establishing a
broadly based industrial services
group by returning to the
acquisition trail in the second
half, beginning with catering.

with their prospects impeded the share price's progress immediately after the flotation. and the Consolidated Safeguards debacle drove them down sharply little more than a year later. Just as the security divi-sion has fully recovered, so too sion has fully recovered, so too has the Securigard share price which, rising by 1p to 146p yesterday, is now approaching its previous peak. With the security division now firmly established, Securigard is keen to tackle contract cleaning, where the recent spate of mergers may alleviate the pressure on margins, and there

Yule Catto extends

RTZ lifts its stake in Lasmo to 29.9%

BY MAX WILKINSON, RESOURCES EDITOR

it can hold in Lasmo under a cautious line emphasising the two-year agreement signed in uncertainties as to what good two-year agreement signed in December 1985. RTZ, which bought the shares in the market, described the move as a con-solidation which showed that it valued its stake in Lasmo.

were mapended at 72p at the company's request on New year's Eve, pending the announcement. Premium Pen, whose preremium ren, whose pre-tax profits are warranted to be £1.2m for the year to December, 1987, is Pine-apple's second acquisition in this sector. In November, it announced the £3m purchase of Golden Key Promotions.

Mr Peter Bain, deputy chairman, said the purchase would strengthen Pineapple's presence in the marketing services sector. He confirmed the company's aim of establishing itself in several market sectors.

market sectors.

"We are reshaping the group and I feel very happy about this deal. It will give a substantial boost to our earnings per share, greater value in the market and will enable us to look at a wider tractive of sequisitions.

"This will give Pineapple a chance to reorganise itself out of the spotlight. I see it making a significant contribution over the next two to three years."

Premium Pen was established 12 years ago by brothers Martin and Dennis Reuben, who will remain as full-time executive directors. The company will raise £4m through a placing of 5.33m new ordinary shares at 75p each. The balance of £3.4m will be raised by issuing 2.41m 7 per cent convertible, reference shares of £1 each of £1 each.

Pineapple reduced lesses to 293,600 by July 31 1986. It expects to be back in profit by the end of this

Yule Catto said it owned or had received acceptances for 5.18 per cent of Barrow Hep-burn and extended its offer. It was also announced that the bid would not be referred to the Monopolies and Mergers Commission.

Rie Tinto Zinc, the mining, in Lasmo beyond 30 per cent industrial and energy group, for two years, yesterday signalled its continusesterday signalled its continu-ing interest in London and Scottish Marine Oil by increas-ing its stake from 25.2 per cent it was floated off from British Gas in the summer of 1984.

However, the purchase immediately revived speculation that RT2's medium aim was to take full control of Lasmo and with a strong interest in Enterprise

Under the 1985 agreement, RTZ exchanged its 29.9 per cent stake in Enterprise for 25.2 per cent in Lasmo and under-took not to increase its stake Yesterday, Lasmo's share price rose 3p to 186p after the

profits of I£56m expected Jefferson Smurfit, the Dublin- totalled about If10m on sales of

Yesterday RTZ was taking a

happen to the oil price between

now and December when it would be able to make a full

In December, Enterprise Oil

announced that it was taking over Imperial Chemical Industries' oil and gas interests in a deal worth £115m. In return ICI took 25 per cent of the

See Lex

enlarged Enterprise group.

takeover if it wanted.

based paper and packaging litisom agroup, has partly exercised an option to buy the overseas interests of Container Corpora-well, will will be a container corpora-

interests of Container Corpora-tion of America, the US group which it sequired last year for \$1.16bn (£779m).

It is buying subsidiaries in Italy, Spain and Holland for I£14m. The agreement gave it the right to buy the subsidiaries t dellar book value on Decemat dollar book value on Decem-ber 31 1985, and it says the price is particularly attractive because of the fall in the value of the dollar.

Jefferson said the year just ended was expected to turn out well, with pre-tax profits slightly in excess of 1£56m, compared to 1£36.7m in the previous year. The balance sheet remained

healthy, with a net debt/equity ratio of about 68 per cent. It said the outlook for the current year was "most envolume being exceptionally positive.

"As a result we can expect The subsidiaries have net significant improvement in assets of IE31m, while pre-tax profits if this trend continues and interest profits last year for 1987," it added.

Placing buoys Molynx shares

Smurfit expands overseas:

BY RICHARD TOMKINS

SHARES IN Molynz, the Gwent-based maker of mount-ings for closed-circuit television cameras, shot up 47p to 140p when trading resumed yester-day. They were suspended at 93p on Friday pending an The rise was triggered by a

change in management accompanied by a placing of 39 per cent of the company's shares with UK institutions and individuals at 126p a share,

cant exploration and appraisal

the Forties field (0.25 per cent interest) and from the Kinsale Head Royalty were sharply reduced, reflecting the

During 1986 revenues from

The shares have been sold by retiring managing director Mr Stan Edwards, his associates, and other board members. Mr Edwards is being succeeded by Mr Nicholas Mavrikalds, and other board appointments are

expected in the near future.

The placing of the 1.37m shares was arranged by Johnson Fry, the finance house best known for its sponsorship of Business Expansion Scheme ventures.

Inspectorate buying **Nationwide** Leisure

By David Thomas

Inspectorate E&E Group, the UK subsidiary of Inspectorate International, the Swiss quality Internamonal, the Swiss quarry control group, has made a recommended offer for Nationwide Leisure, the holiday, caravan park and retail company, which values Nationwide at £8.3m.

The offer is 771p for every Nationwide ordinary. Yesterday Nationwide closed down 1p at

The boards of Nationwide and Inspectorate said that although the offer was at around the level of the current market price, it represented full value for the company and was a significant remium to the average price recently.

price ruling recently.

The directors of Nationwide and some other shareholders have accepted the offer in respect of 4,251,756 ordinary. representing 39.7 per cent of the ordinary capital. A further 190,000 ordinary (1.8 per cent) is held by an associate of

Inspectorate.
Nationwide shareholders will keep any dividend declared for the year ended October 31, but Nationwide will not be recom-mending a net dividend for that year of more than 2.5p per

ordinary Lazard Brothers will make an offer on behalf of Inspectorate for each of Nationwide's issued preference stocks when the containing document ordinary offer is sent to share-

Inspectorate said it had made the offer because Nationwide would extend its existing service businesses.

Textures Jersey

Textured Jersey, maker of inited fabrics, suffered a fall in pre-tax profits from £533,000 to £316,000 for the six months to October 31, 1986, despite a higher turnover of £9.37m, against £8.72m.

3.4 $\sum_{i=1}^{n} (i+1)^{n} \leq \sum_{i=1}^{n} (i+1)^{n}$

---25 (250 m) 13 20 (200 m) 17

\$120 CAR -

242 1. 1

elighten in A. Signatur

Company of the St. of

Last year's profit included a £100,000 exceptional receipt in respect of the Fire at Corby in September, 1983. The company said business had incurred significant increases in costs, which it had not been possible to offset over an increased volume of produc-

in increased volume of produc-tion and thus profitability had been adversely affected. After tax of £111,000 (£213,000) earnings per 10p share were down by 3p to 5,27p. The interim dividend is main-tained at 2,25p net tained at 2,25p net

Aran looks to better times

40,500 shares, or 0.02 per cent of Humes. The Fund said the industry.

For the nine months ended September 30 1986 its pre-tax of the Alba field would have profit fell from I£1.17m to a major bearing on the value I£275,000 (£265,000), with the after balance showing a loss of the company, and might enable it to share in the profits of substantial petroleum profits petroleum profits of substantial petroleum profits of substan shares were purchased normal investment reasons and it had no agreements or understandings with other parties. John Govett said on Friday that Govett Oriental Investment Trust, which it provides with discretionary investment company was particularly well placed to take advantage of the

win discretionary investment management, purchased 2.75m convertible preference shares and 256,800 ordinary shares in APA between June 12 and November 18. No other clients held shares in either APA or Humes, said John Govett, nor did the company or its clients anter into any agreement. placed to take avantage of the present recovery.

Effectively, the company incurred a loss of 12438,000 (£423,000) in the third quarter, compared with a profit of £1,43m. The acquisition of Petrolex was expected to have a major impact in the second a major impact in the second half of the year, the directors intimated at the six months' enter into any agreement to maintain APA's share price.

Mr Geoffrey Musson, director of investments at John Govett, said yesterday: "We' made a perfectly straightforward longstage.
The acquisition of Petrolex put Aran into the North Sea

Aran Energy, the Irish and gave it a 4 per cent interest. Aran had seen successful exploration company waiting to in the Alba field. That could ration and appraisal results, and cash in on its Alba field be the fifth largest oil field in reserves were greatly increased. discovery, has not escaped the setback in the world-wide oil report that it holds 700m be involved in a series of significant that it holds 700m be involved in the series of significant that it holds 700m be involved in the series of significant that it holds 700m be involved in the series of significant that it holds 700m be involved in the series of significant that it holds 700m be involved in the series of significant that it holds 7

recoverable barrels.
The directors said the future duction on a scale very much larger than from any of its discoveries to date.

A number of other licence interests of Petrolex in the Southern Gas Basin of the North Sea were disposed of for an aggregate If2.6m. These reflected a broad policy of, in general, concentrating on oil rather than longer term gas interests in the light of the company's expectations as to relative oil and gas price and market directions. Elsewhere, the directors said

drop in oil prices and lower gas intake,
The recovery in oil prices towards the end of the year rose from agreement reached by Opec. In the company's opinion Opec will maintain a balance to

production activites of

39,000 ordinary shares and now holds 42,000 (0.7 per cent).

Microsystems—After recent Cakebread disposed of 10,000 share sales the following directors' holdings: Dr R. J. Harding 3,844,000 beneficial (non-beneficial 276,873) and M. J. sold 46,946 shares.

support a price of around \$18 per barrel in the short term with a consistent trend thereafter.

"Such a prospect for oil

SHARE STAKES

Changes in company share stakes announced over the past (non-heneficial 276,973 shares). Levin week include:

Acatos and Hutcheson—on January 27, chairman, Ian holdings are: F. McPeak sider Hutcheson purchased 10,000 16,700,614 (4.5 per cent), D. Enter ordinary shares at 260p each.

A. G. Barr—Director and trustee G. M. MacLaren acquired trustee G. M. MacLaren acquired cent) and R. J. P. Morton 10,000 cent.

Prestwich Holdings—P. A. Levinson exercised an option to acquire 800,000 ordinary at 25p per share and by further con-sideration on the sale of Palan Entertainment Corporation acquired 1.8m shares. His hold-ing now represents 24.03 per

I.G. INDEX FT for February 1,466-1,472 (+18) Tel: 61-828 5699

in the lead as regard Government guaranteed bonds prices points to a satisfactory return from the exploration and Please contact Per Hagen or Bjarne Anderson in

and other Public Sector bonds.

Also with subsidier; in Luxambourg and Representative offices in Copenhagen, Helsinki, London, New York and Stockholm. **Union Bank of Norway**

NORWAY'S

CAPITAL MARKETS

BANK

underwriter of Eurobonds in Norwegian Kroner as

well as in other currencies. We maintain a liquid

secondary market in those international bond issues

which we have lead-managed. Domestically, we are

Norway. Tel: (472) 31 90 50. Telex: 19968 ABC SE. Union Bank of Norway is known domestically as

Union Bank of Norway acts as manager and

RANV

SPONSORED SECURITIES

162 118 Ass. Brit. Ind. Ordinary 152 75 George Blair 113 57 Ind. Precision Castings 113

Granville & Company Limited 8 Lovar Lane, London EC3R 8EP Telephone 01-621 1212 Member of FIMBRA

65 Weiter Alexander

Granville Davies Coleman Limited 27 Lovar Lane, London EC3R SDT Telephone 01-621 1212

LF. ROTHSCHILD, UNTERBERG, TOWBIN INTERNATIONAL

L. F. Rothschild, Unterberg **Towbin International**

We are pleased to announce

are moving to new premises on 2nd February 1987

Wickes plc £30,000,000

Berners Street Properties Limited

20 2000 mg of

Limited Recourse Financing

S.G. Warburg & Co. Ltd.

Participants

Bank of Ireland Canadian Imperial Bank of Commerce

Creditanstalt-Bankverein Kansallis Banking Group

S.G. Warburg & Co. Ltd.

FINANCIAL TIMES SURVEY

Tuesday February 3, 1987

Oil Trading

Both traders and analysts have struggled as the forecasts proved wrong. Large swings in the oil price have made traders think hard before taking risks.

Opec hangs on to control

IT IS DIFFICULT to know who In August, just as the market has had a more taxing time over had decided that Opec had lost the last 15 months, the oil trader control altogether, suddenly a irrespective of whether or not

the last 15 months, the oil trader or the oil analyst.

The trader must have production sharing agreement was patched together—by dint acquired at least a few grey hairs as the price swung from aged Iraq should be exempted from the agreement. Prices rose than \$30 a barrel to less than \$9 and then back to about \$5 in the space of a few \$18. Meanwhile, the analyst suffered one humiliation after the sacking in November of another as successive forecasts had to be torn up.

Where will be the control with the control water tooks was a control with the control water tooks was a control with the control water tooks was a control water tooks with the control water tooks with the control water tooks was a control water to be control water t

conse Nigg.

s Jersey

Jewer, zur 705. gudennt 705. gudennt

(07 24 Mg 21, 1986, 45

. ಕಿಬಾತೀ ಹಾಗಳ

orphotology to Fire a Ca-loss.

SOLD TO SE

values de

المنافاة المعادية

Indeed, one might have expected that the series of extraordinary and unexpected events of 1900 would have killed off oil price forecasting altogether. But while most oil companies have given up mak-ing definite predictions in favour of offering a range of alternative "scenarios," there remain a good few analysts and onlookers still hold enough to forecast what the price of oil will be in 12 months' time.

Such predictions reveal a want of consensus. Some say that 1986 was an aberration— that 1987 will be far more stable and oil prices are likely to end the year higher than at the out-set, after a possible setback dur-

The sacking in November of Sheikh Yamani, the Saudi Oil Minister, underlined the fact that Opec policy had changed. The first aim of Saudi Arabia, at least, had become to reverse the increasingly damaging decline in the oil price rather than attempt to stretch its share of

The December Opec meeting. The December Opec meeting, the first to be presided over by the new stand-in minister, Mr Hisham Nazer, was more successful in achieving the Saudi objective than almost anyone had thought likely. Not only was a new lower collective easilies agreed upon but memceiling agreed upon, but mem-bers unexpectedly agreed to fixed prices, with the result that spot prices almost immediately rose to the chosen Opec level of \$18 a barrel.

the new agreement is sustained, the market, having survived 1996, will no doubt adapt accor-dingly. Perhaps more remarkable than the recent marathon movements in the oil price itself, has been the resilience of the market itself, scraping through almost without easualty among its players. For a brief period in Febru-

ary last year things seemed about to come unstuck in the about to come unstuck in the Brent market in London, when traders walked away from contracts on which they were showing large losses. For a moment it seemed that many bankruptcies and failures would follow, and the future of the informal 15-day market for Brent crude seemed daubthal. doubtful. However, within a few months

things had more or less returned to normal. Few if any players failed, as the majors made a bid to save the market. made a bid to save the market.
Since then the Brent market
has survived without mishap
three further periods in wild
price volatility: the plunge to
below \$9 in the summer, and two
unexpected and dramatic
recoveries, prompted by the
August and December Opec
incelling.

sat, after a possible setback during spring.

Others argue that price volatility has become a new fact of life and attempts to establish a stable price as high as \$18 for more than a month or two are doomed to failure.

Last year fell into two quite distinct halves divided by a Uturn in Opec policy. For the first part of the year Opec was gunning to increase its market share, members were even more than usually at odds with each officer, and prices collapsed.

\$18 a barrel.

Since then a period of relative—and some would say ominous—calm has crept over the mexicular than a month or two are dometts. Although the new fixed price system came into effect two days ago, it may take some months before any real clue emerges as to whether the system is holding.

So far the indications are mixed; although many cus tomers have responded coolly to such a prices can change such a grangements. Opec there were several appears to be taking a fairly dough line in enforcing the new more days last year when the price moved up or down by \$2 within



Hisham Nazer, the new Saudi Oil Minister, faces questions before December's Opec meeting

hours or even minutes—traders reacted by covering any exposed positions as quickly as possible, and then withdrawing until prices settled down.

Last year not only made traders think long and hard before taking risks, it also shook the conventional wisdom of the market, as prices crashed through one supposed "floor" after another. Crude prices could not fall below \$25 was the view in 1988.

view in 1985.
Soon \$25 became \$20, then \$15, then \$10, and just as everyone had decided that \$5 was a lar that on an average day 40m real possibility, at least for a barrels of crude oil changed short time, the price suddenly rose soaring by 50 per cent in the space of a few days.

Trading in West Texas Intermediate crude (WII) contract on Nymex became so popular that on an average day 40m barrels of crude oil changed hands, while on one day in the rose soaring by 50 per cent in the space of a few days.

There could be no better advertisement for the benefits of hedging than price move-ments on this scale. Hardly surprisingly, oil futures had a record year in 1936, with the popular crude oil contract on the New York Mercantile Exchange (Nymex) and the goo oil contract on London's International Petroleum Exchange (IPE) both showing volume gains of about 100 per cent.

Trading in West Texas Intermediate crude (WTI) con-

were traded—more than twice on whether the oil price will the daily consumption of oil in rise or fall, they have increasingly made (and lost) with such huge volumes, for much of the year Nymez led crude against another, or one mouth of the price will change in the price will be a such as a part of the price will be a such as a part of the price will be a such as a part of the price will be a part of the price will be a part of the price of With such huge volumes, for much of the year Nymex led movements in all other oil mar-

kets. By mid-morning in London trading would go quiet waiting to see what kind of lead would be given by the futures traders in New York.

Price would the waybet for oil transformed the market for oil futures but has rejuvenated crude and products markets all

As hedging has become more and more important, traders have had to learn a new battery of skills. Rather than do any-thing so unsophisticated as punt

month against another. As a result the structure of the

market has become much more logical, with any anomaly unlikely go to unspotted for

Some of this increased effi-ciency has been caused by the Wall Street Refiners. These strong and wealthy players are a recent addition to the oil mar-bet, and have brought with them trading skills long employed in financial markets.

CONTENTS

Nymex: staying ahead;

the WTI contract

London Brent contract Oil products market

to learn over the past two years, they are now being asked to un-learn: the netback contract. These deals, which tie the price paid for crude to the price the paid for crude to the price the buyer would receive for his pro-ducts at the refinery gate were introduced by Saudi Arabia in 1985 as a part of its plan to increase output. However, in its efforts to re-establish fixed oil prices Saudi Arabia is now going through the longth process of wearing its

tough process of weaning its customers from netbacks.

These deals turned the pat-tern of oil trading inside out. The risk of an adverse price movement, once the baggage of the oil refiner, was shifted to the producer. By offering such attractive selling terms, Saudi Arabia increased its oil production from about 22m barrels a day in the first half of 1985 to a maximum of nearly 6m barrels last summer.

To ensure a steady stream of buyers, Saudi Arabia and most other Opec members started offering discounts of up to \$1.50

a barrel.
Such discounts exaggerated the already considerable attractions of netback deals to refiners. No matter how low the price they received for their products, it paid to produce a maximum capacity, as a margin was effec-

tively guaranteed.
The result was refineries were more profitable than they had been this decade, a heavy glut of product was created, and prices fell sharply.

Now, just as traders were coming to terms with the daunting complexities of the netbacks pricing—which make it impossible to tell what any customer is actually paying for his oil because the price depends on the relative yields of his refinery, costs of relining and the size of the negotiated discount—the system is being phased out.

phased out. Whether Opec will succed in weaning its customers from net-back deals altogether is doubtful, but they are unlikely to dominate the market as they had done previously.

Lucy Kellaway



The refinery at your service

Saras refinery was planned, built and equipped to process customer's crude oil.

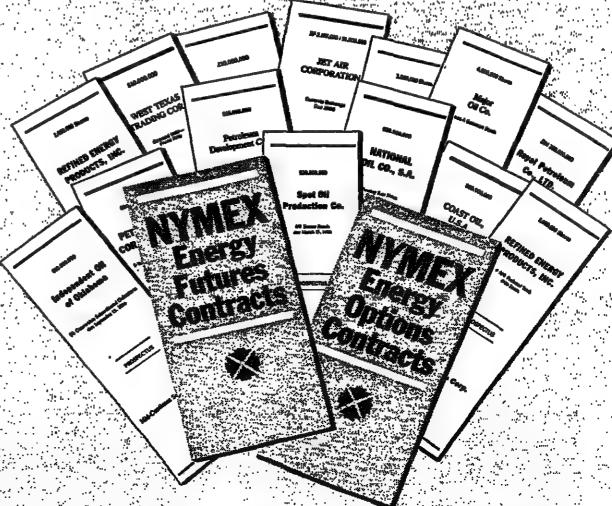
It has a yearly processing capacity of 18 million metric tons and such a flexibility as to admit, stock (in the huge tanks system of 3,6 million cu. mt.) and handle any kind of crude oil through the many processing stages asked by the customers, offering a range of refined products that can meet every requirement.



SARAS SOA RAFFINERIE SARDE

HEAD OFFICE: 20122 MILANO - Galleria de Cristoforis, 8 - Tel. (02) 7737 - Telex 31 1273 SARAS 1 REFINERY: 09018 SARROCH (CAGLIARII - Km. 19 - S.S. Suictana - Tel. (070) 900001 - Telex 790169 SARAFFI BRANCH OFFICE: 00187 FICIMA - Via Ludovis, 43 - Tol. (08) 4742701

Financial Instruments For Today's Oil Industry



Price volatility is changing today's oil industry. Financial planning is now more art than science. Competition is intense. And all segments of the business-producers, refiners, marketers, end-users - are responding to market forces as never before.

In this dynamic environment, managing price risk is a top priority. That's why companies throughout the oil industry are using financial instruments like NYMEX futures and options contracts to reduce the effect of price changes on operating results.

NYMEX futures contracts allow these companies to fix oil prices in advance of actual purchase

or sale. NYMEX options contracts permit them to insure against adverse price fluctuations and still capture some benefit from favorable moves.

Both help companies manage risk by mini-

mizing the uncertainty of future oil prices. Energy futures and options. Two ways to cushion the impact of oil price volatility. From NYMEX—a leader in financial instruments for today's oil industry.

NYMEX—The Energy Exchange



FOUR WORLD TRADE CENTER, NEW YORK, NY 10048

NYME: total volume of contracts

Opec

Control of the market is still shaky

now emerging between govern-ments in the industrial world. Even though the success of the major oil companies and Opec's latest effort to push up producing countries that \$18 per barrel is a better price for

Those who would like a higher price mostly concede that it can-not be achieved for the time being. Those consuming countries which might gain immediately from a lower oil price have several reasons for velcoming the rise to \$18 in January.

First, a stronger oil price must significantly lessen the risk of a renewed debt crisis among oil producing countries such as Mexico. This is a particularly important consideration for the US, but must also weigh with countries which have no oil, particularly Japan and West Germany.

However, a stronger reason for hoping the price rise will be sustained is that, at \$18 per barrel, demand for crude in West-ern consuming nations will be restrained while at least some incentive for continued exploration and development will remain.

At present rates of depletion, At present rates of depletion, the known US reserves will be near exhaustion in about 10 years. The UK's North Sea oil has now reached a peak and production will tail off fast over the next 15 years, so the rate of exploration and development is activated. critically important—for the health of the offshore supplies industry, for government revenues and for the balance of

In the US and the UK a price above \$20 per barrel is probably needed to give oil companies the incentive to develop the smaller and more difficult oil-fields, which seem likely to provide a large part of additions to reserves in the next decade or

However, a price of \$18 per barrel is very much better than \$15, for two reasons, the first is the obvious fact that more projects can look marginally profitable at the higher price, par-ticularly in view of the collapse of prices for drilling equipment

A REMARKABLE consensus is Countries is still in rather shaky

Even though the success of Opec's latest effort to push up oil prices remains in doubt, it seems at least to have convinced the oil markets that prices are unlikely to go into free fall as they did for a few giddy weeks last year, when the price of Brent crude dropped below \$9 per harrel, and \$5 was being per barrel, and \$5 was being discussed as a sober possibility. The rise to \$18 emphasised that \$5 and probably \$10 per barrel is now a political impossibility for Saudi Arabia. Whetever the logic of its own

Whatever the logic of its own interests, the kingdom must keep balance on a political high wire between the warring fac-tions of Iran and Iraq against a turbulent background of argu-ment between those countries like itself and Kuwait, which want a lowish price to improve the markets for oil, and those like Iran, Iraq and Libya, whose main imperative is for revenue

The decision by King Fahd to sack Sheikh Yamani after almost a quarter of a century as Saudi Arabia's Oil Minister, sig-Saudi Arabia's Oil Minister, sig-nalled to the world that the forces of politics had won. The medium-term strategy associ-ated with Sheikh Yamani's introduction of netback pricing and the drive to recover lost sales was dumped in favour of the simple imperative of getting \$18 as soon as possible—but with as little sacrifice of Saudi

production as possible.

The initial success of the new Saudi strategy has already made a significant impact on the thinking of the oil com-

On the other hand, the turmoil On the other hand, the turmoil of the last year, with the succession of almost monthly Opec meetings, has in a sense charted the depths to which the oil price might fall. A consensus seems to be emerging that Opec's "pain threshold," or the political limit which must assentially force. which must eventually force another production sharing agreement is about \$15.
So even if cheating on quotas and fixed prices means that a higher price cannot be sustained indefinitely, a lower price is unstable also

and the drive for economies at every stage.

However, a subtler, though equally important effect is to emphasise that the Organisation of Petroleum Exporting autumn 1985 level of \$30 and

then for a short time halved again. This year the earnest hopes of the major oil com-panies that the oil price should stabilise, preferably at around \$18, may even contribute to the

sile, may even contribute to the success of Opec's strategy.
The price movements of last year showed clearly that although the market cannot ultimately escape from the fundamental forces of supply and demand, psychology and sentiment have become enormously important.

important.
Last year the desire of most of the major oil companies for a higher and more stable price probably had little effect on market sentiment. However, in 1987, it may be that the oil companies' common interest in a firmer oil price will find a way of influencing the market, though not by any explicit agreement, which would unleash the power of the US

anti-trust laws.

Nor will it be as a result of old-fashioned directives from corporate headquarters to the trading arms of the major oil companies. In recent years trad-ing divisions have had to operate much more independently than they used to do. Even were that not the case, sierce com-petition in refining means that every oil company must strive for the cheapest price it can get, cargo by cargo. Yet if Opec can make its new

fixed price system stick, it may be that in some mysterious way, the majors will turn out to be supportive of the new regime. It will be a delicate, rather un-stable balance. So long as every-one plays the fixed price game, oil companies as a group will have little more interest in breaking the consensus than will producers as a group.

However, as soon as the pro-ducers' ranks are seen to be wavering, it will be every man for himself in the pursuit of a for himself in the pursuit or a marginal advantage.

Many people think this will happen as demand slackens in the Northern hemisphere this spring Even before then, stocks are sufficiently high to keep producers on the defensive, especially as there is little expectation that prices will rise much above the current level of

True, the contract has not

the post-war period until 1975.
The delisting is therefore vested with considerable symbolic importance for Nymex. Not only does it mark a definitive break with the past, it also underlines the exchange's confidence in the exchange in the exchange

fidence in its current portfolio of energy and precious metals contracts as a firm base for con-

89 per cent to 14.8m contracts.
While arch-rivals Comex remains for the moment New York's largest futures and

Despite outstanding growth in everal other contracts - notably platinum and unleaded gaso-

line futures - Nymex's flagship remains its crude oil futures. As

oil prices have moved from the

much above the current level of about \$18 per barrel. Since some oil now in stocks was bought at \$10 or less, oil companies could well reduce



Sheikh Yamani: sacked after politics won

stock levels, particularly if they dislike contract terms offered

by Gulf producers.

The major oil companies have so far been reluctant to accept Saudi Arabia's proposed five-month contracts, and have continued to sign one- to two-month deals. However, longer-term deals are now being negotiated with a number of producers.

with a number of producers.

The major uncertainties remain what will happen when the present system of fixed price differentials is seen to be out of line with market realities, and what will happen when demand drifts below Opec's desired level of supply.

Nobody knows with any precision what preference refiners will show for the heavier crudes

will show for the heavier crudes in the new fixed price structure If the lower-priced heavy crude are preferred, producers of lighter blends may find them-selves starved of volume unless serves starved of volume threes they offer discounts from the fixed price. If this happens on a large scale the whole price edifice will be in danger of collapse.

The other big question is how Opec will react when total demand exceeds supply, perhaps as a result of "cheatperhaps as a result of a fall-off in consumption. Yet another Opec meeting might be called to fix new smaller quotas; but the credibility of Opec pacts may soon suffer from diminishing

returns in the market.

It seems unlikely that the system can operate with anything like smoothness unless Saudi Arabia once more takes on the role of swing producer. This would be consistent with King Fahd's stated imperative of sup-porting an \$18 fixed price. However, the King's reported views and Saudi Arabia's recent

actions suggest great reluctanc to reduce output much below the present quota of just over

Nymex in New York has fought hard to consolidate its position, led by its crude oil futures.

Experience wins over Chicago

Exchange has had to fight hard over the years to consolidate its now undisputed position as the doyen of energy futures

In the process, it has confounded both the huge Chicago exchanges which still dominate the industry as a whole and the many sceptics who initially sneered that the oil market would never be volatile enough to support a string of futures

The exchange first began to dabble in energy futures at about the time that Opec assumed ascendancy in the struggle for price control, in succession to the Seven Sisters. In 1973, Nymex launched a heating oil and residual contract which flopped due to quality specification and an unworkable location.

The exchange in the largest oil hub, as opposed to New York.

Having seen off the competitive threat from one huge Chicago exchange, Nymex was forced to confront the other when the Chicago Mercantile exchange went-ahead with its plans to initiate an energy futures complex in Warreh 1984. able location.

Five years later, it tried again.

The heating oil contract which took root then, with a few local jobbers and distributors as the only commercial users, has blossomed into Nymex's second most heavily-traded future with volume last year totalling 3.28m contracts. Leaded and unleaded soline futures followed in

The experience and infrastructure gradually accrued in the early years was to stand the exchange in good stead when the battle with Chicago began in earnest with the move into crude oil futures in 1983.

crude oil fittures in 1983.

The Chicago Board of Trade, the world's largest futures exchange, had already signalled its intentions by launching its own heating oil and unleaded gasoline contracts. Neither caught the trade's imagination, however, and both were ultimately delisted after less than two years of trading.

Crude oil was a different story, with the two rivals launching their contracts simultaneously on March 30, 1983.

Few expected the relatively lightweight New York upstart to be able to live with the muscle

be able to live with the muscle and influence of the world's largest and most prestigious futures forum.

And so it proved. By the end of the first month, the Cbot had traded over 30,000 crude oil futures contracts, compared with just 14,000 on Nymex. By the end of the fifth month, however, the roles had been

max Wikinson

By the end of the first month, however, the roles had been reversed. While Nymex's volume had risen merginally to just over 16,000 contracts, the Cbot's had plummeted to nearer 6,000.

In retrospect, the Chicago flop was blamed on two factors: the Windy City's lack of an established core of energy traders like the one which Nymex had developed via its early products contracts; and the complexity of its delivery and payment mechanism. These handicaps quashed the initial enthusiasm many south-west US businesses which needed an instrument like the Chot's light Louisiana sweet-based contract which allowed for delivery on the Texas Gulf Coast, the largest

York.

Having seen off the competitive threat from one huge Chicago exchange, Nymex was forced to confront the other when the Chicago Mercantile exchange went-ahead with its plans to initiate an energy futures complex in March 1984.

By this time New York's hold

By this time, New York's hold on the market was too wellon the market was too well-established to be shaken. The CME contracts were effectively still-born. "We couldn't have launched them any earlier," says one CME official looking back on the failure. "We didn't have any room on the trading floor. By the time we did, it was

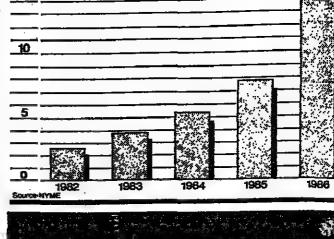
probably a year or two too late."
Today, Nymex's dominance of
the US exchange-traded energy
futures and options patch is
complete. Outside the four contracts which now comprise the Nymex energy complex (crude oil, heating oil and unleaded gasoline futures and crude oil options), only the New York cotton exchange's moribund prop-ane futures, first listed in 1971, survives. There are plans for even propane futures to switch to Nymex as soon as contract changes, designed to make the instrument more appealing, have received regulatory

approval.

The launch of crude oil options on November 14 was probably the main event for Nymex in 1986. Despite concern in some quarters that the con-tract would not prove an overnight success, crude options out-traded every other US soft commodity option on their launch date and have since settled down to a highly satisfactory daily average of some 4,500

Interestingly enough, the new option's initial user profile is said to differ markedly from the exchange's underlying and highly liquid crude oil futures

Various financial institutions





much higher profile in using first futures contract in natural them in more orthodox fields. gas—perhaps some time in the Options have brought some Wall Street institutions, insurance companies and, indirectly, banks to the market," Mr Michael Marks, the Nymex chairman, confirms.

" If they are not hedging their energy portfolio, they are experimenting with intent to do so," he adds.
"A lot of people are experimenting," agrees hirPeter Beutel, assistant director. of the energy group at Elders futures. "Options strategies are very fragmented at the

Nymex officials are unlikely rival the crude futures contract to be losing much sleep over for volume, business nonethesuch projections just yet, less jümped a healthy 48 per however. For the moment they cent in 1988.

Later, the exchange hopes finally to launch the world's fability.

Indeed, with many now projecting that the latest bear cycles's \$2.75 WII low mark will

g first futures contract in natural
gas—perhaps some time in the
second half of this year. The
project has been over two years
in the pipeline, owing to difficulties in working out an
appropriate delivery procedure. But exchange officials
have indicated that these may
now be close to resolution.

Nymex holds high hopes for
such a contract, based on the
increased volatility in gas.

increased volatility in gas prices prompted by the process of deregulation currently under way in the US gas industry.
Observers believe that interest
would initially be confined to
the US domestic market, however, owing to the continued rarity of spot trading in gas else-

For the moment, the exchange appears well set to continue its rapid growth on the back of the continuing price volatility in its chosen market niches.

However, the positively explosive expansion of last year is more likely to be the exception than the rule, based as it was on the happy coincidence of almost unprecedented volatility in two key Nymex commodities (crude and platinum).

and platinum).
The huge Chicago exchanges that New York aspires to rival have learnt that it pays to main-tain a diversified portfolio. However institutionalised volstile oil prices can be subject to rapid change—as Nymex risks discovering to its cost.

Recently, rumours have started circulating again about a possible merger between two or more of the four rival cohabiexchange centre. In such unpre-dictable times, the mutual benefits of such a move shine rough more clearly than ever.

David Owen

"FORTUNE FAVORS THE BRAVE"

Virgil [70-19 B.C.]

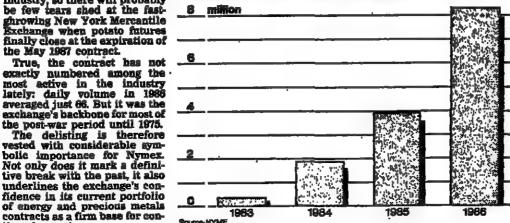
Rafferty Associates, Inc. Analysts and brokers on the NYMEX

Information • Access • Execution

Suite 1119 170 Broadway New York, NY 10038 (212) 732-8877 A NYMEX member firm.

NYME: crude futures pretty short shift in the futures industry, so there will probably be few tears shed at the fastghrowing New York Mercantille Exchange when potato futures finally close at the expiration of the May 1987 contract.

Pros and cons in WTI contract



tinued growth.

This confidence will certainly have been holstered by the exchange's 1986 performance.

Overall volume climbed almost relative stability of a producers cartel to the switchback world of a free market, crude futures have come into their own in no uncertain terms. In all, some 8.3m contracts (1,000 barrels each) changed hands in 1986 -well over double the 1985 options forum with total volume of 16.5m, Nymex fulfilled a long-held ambition last year by over-hauling its struggling neighbour in terms of futures volume volume of 3.98m.

So large and liquid has the contract become that it is now established as one of the major indicators in the short-term physical oil market. "No one ould be doing business on wet (physical) barrels without con-sidering Nymex movements in the recent past," says one European oil company executive. as a Nymex survey conducted dur-ing the first six months of last year shows, the contract (like the energy complex as a whole) has also succeeded in attracting a wide and still expanding base

of users.

The exchange now claims that five of the big six oil majors are among its largest players, as we as a range of oil marketing companies, investment houses, refiners and others. The survey does not name names but it is widely accounted that the absent widely accepted that the absent
major is Exxon, the daddy of
them all. "Since the company
deals in wet barrels, futures are
not very useful for our operation." Mr Lawrence G. Rawi,
Exxon's president, said last
year.

Mesearch.

Indeed, the speed with which
any short-term distortions in the
two grades' normal price
relationship are correct can be
slowed by the fact that US-produced crude cannot normally be
exported.

In other words, anyone seek-

year.

While crude oil futures continue regularly to attract new users, and lately particularly among non-US national oil companies, there is clearly also room for expansion in the activities of many of those who are neing the market already with using the market already. "The producers have extended their use in recent months but it is

market more selectively, cashing in a clear price advantage here, looking to hedge unexpected physical market exposure there. "Its handy if you buy a cargo of crude and don't know exactly what the pro-ducts will be worth," according to one major oil company execu-

As more and more in the oil trade weigh whether to plunge into the Nymex fray or extend their existing participation further, one of the prime con-siderations must be how far an essentially paper West Texas Intermediate-based (WTI) futures contract can provide an adequate hedging medium not only for wet WTI barrels but also for other crude grades and

Certainly, WTI, accepted as the domestic US market crude, does not maintain a constant price differential to say, Brent, the European marker. "WTI is still a regional thing influenced by micro-peculiarities," says Mr Lawrence Goldstein of New York-based Petroleum Industry

two grades' normal price relationship are correct can be slowed by the fact that US-produced crude cannot normally be exported.

In other words, anyone seeking to hedge Brent with Nymex
is necessarily exposed to a
changing basis risk.
Of course, seasoned traders
and most of the large financial
institutions have become adent institutions have become adept at managing basis risk over the years. "The basis risk is some-

thing that you evaluate and quantify and take into account," use in recent months but it is still not significant compared to overall volume or potential." Mr Michael Marks, the exchange chairman, maintains.

It is now well-known that Mr T. Boone Pickens Jnr, chief executive of Mesa Petroleum, hedged the bulk of the company's 1986 crude output on Nymex. But it is much commoners for producers to use the

The consensus view though appears to be that while Nymex crude futures are far from user less for hedging other grades and even other oif-based products, the present situation is not ideal, "Nymex doesn't fulfill all needs for all hedging purposes", says J. Aron's Mr Drury.

Accordingly, many believe that there is room for a regulated market in other crude oil grades, notwithstanding the moment."

Conversely, according to Mr Lawrence Goldstein of Petrolem Industry Research, some big users of the futures market, like independent marketers, are not using options. "These companies typically don't have the expertise or an in-house expert," he explains.

The next new contract launch on the exchange will almost certainly be another extinct that nlated market in other crude oil grades, notwithstanding the exchange will almost certainly be another option—this Nymex's success and the unhappy experience of London's international petroleum exchange in trying to get a cashsettled Brent-based contract off the ground.

There is room for a Brent contract not time on heating oil futures. The target period for start-up is currently summer 1987, in time for the peak trading seasettled Brent-based contract off the exchange will have had a reasonable time to digest crude tract," according to Mr Peter options and should be ready to

settled Brent-based contract off the ground.

There is room for a Brent con-tract," according to Mr Peter Beutel, assistant director of the energy group at Elders Futures in New York. "If a Brent or Dubai contract were offered, it might draw some business away from Nymex. he adds. react." according to Mr Peter reasonable time to digest crude react," according to Mr Peter options and should be ready to be reached to try something new.

At this stage, there seems no reason to doubt that the mature obtain contract were offered, it heating oil futures contract is aight draw some business away capable of supporting an option. While heating oil can no longer like in the leging rough sleep over the crude futures contract. from Nymex, he adds.

tes's \$9.75 WTI low mark will stand as the low for the decade, few would be surprised if Nymex crude futures were to register another sharp volume increase in 1987. "As the market moves up, you will see increased speculative and trade interest", says Mr Beutel of Elders. "I think in the next bull market it will rival T-bonds (the most active futures contract in the world" he adds. In 1986, T-bond futures traded

52.6m contracts on the Chicago Board of Trade. To match that at a time when the overall marke share of traditional commodity futures compared with financia contracts continues to decline seems a tall order.

David Owen





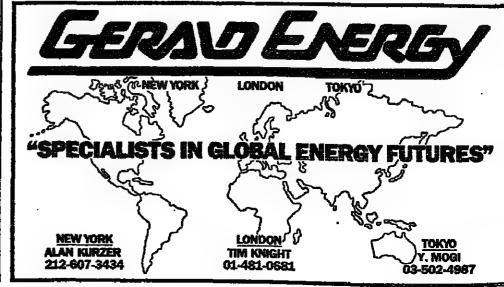
210 Sylvan Avenue Englewood Cliffs, NJ 07632 Telephone (1/201) 568-6664

16 Arcade Chambers Brentwood, Essex CM14 4AH Telephone (44/277) 219311

BIG FOR T

MYCOM

a consult



Serving the petroleum industry with energy futures and options.

- Goldman Sachs offers a full range of advisory and execution services in energy futures and options markets.
- We combine thorough, insightful research with our market expertise to provide clients with hedging and trading strategies in today's volatile oil markets.
- For the last seven years, the same team has been serving clients with complete confidentiality and the highest standards of professionalism.

Goldman, Sacks & Co. 85 Broad Street New York, NY 10004





Futures contract proves popular

LONDON'S International Pet- trading in gasoil in retreat, the roleum Exchange resents being price of a seat on the IPE had looked on as a poor and distant relation of the bigger and buster However, potential members with the processing the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the price of a seat on the IPE had such that the I York Mercantile Exchange.

Mr Peter Wildblood, the exchange's enthusiastic chief executive, stiffens at any such comparison, arguing that in terms of oil products, the IPE is every bit as important, the only difference being that Nymex has a thriving crude oil contract whereas the IPE, after several efforts to create one,

does not,

Some might regard Mr Wildblood's protestations as extravagant. However, he does have a point—after its best year so far, the IPE at last has an oil futures contract which is widely used by the industry, is actively used by the industry, is actively traded, and is fully respectable.
Last year about 1m contracts changed hands, nearly twice as many as in any year since the contract was launched in 1981. While some of the rise was caused by the wild swings in the oil price, which made the con-tract more attractive both to the industry and to speculators, the

industry and to speculators, the rest can only be explained by real growth in the contract's popularity.

"There is nothing disreputable in dealing in gas oil futures any more. For the first few years they were seen as speculating, but now everyone uses them," says one oil broker.

The gasoil contract aside; 1986 was also a better year than many for the exchange. However, previous years have been bad indeed, with the monotony of a static gasoil con-tract broken only by fruitless attempts to launch a crude oil

By the end of last year poten-tial floor members were pre-pared to pay almost six times as much for a seat on the exchange as they had a year earlier when, following a second abortive stab

73 Some umer

of this year

buen overtig

working to

Cellivery :

exchange of

ited that the

SO TO RESOLUTE trait traced a

soted by the ac

won currently a

or US gas com edeve du de Billy be come domesta 🖘

and place the com-A tradition will

ಎಡ್ಎನ್ನ ಬೇಕಡ . Bert 19 comin

22 327 127 5084. price volatility: get miches the postures that is less than the

. noticenterie

Je2 N. 2007 C

Control of the contro

100 100 50 50% 100 100 50 50%

The second of th

David Of

5,77,577

still appear to have a lower

opinion of the exchange than in 0.2 its early days when seats quickly climbed from an initial price of £20,000 in 1981 to more than £100,000. Much of the recent enthu-

siasm was created by the decision last year to broaden the exchange's not and introduce two new contracts. One was based on heavy fuel oil and a second on gasoline, and along with the existing gasoil contract they were designed to provide users with a whole paper refineration before contract they were designed to provide users with a whole paper refineration.

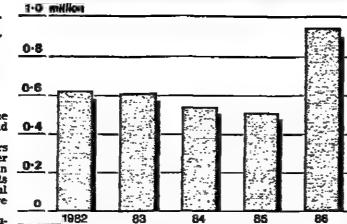
ry to hedge against.

Things have not worked out quite as the IPE had hoped. The heavy fuel oil got off to a heavyfooted start, with about 50 lots traded most days, whereas in the gasoline trading barely began at all, with many days passing without a single lot hav-ing been traded. This outcome has been a sur-

prise to the people who designed the new contracts. It had seemed at first that the heavy fuel contract was likely to be the less well accepted of the two. Unlike gasoline and gasoil, there is no nationally recog-nised standard for heavy fuel oil, and all parties have their own ideas not to say vested interests about the appropriate specification of the contract. While the exchange admits that it has not got the final spe-cifications of the contract right, it does not regard the initial response as discouraging "This was the sort of start we expected Given patience, the

market will grow," Mr Wildblood says. The exchange plans to concentrate its efforts over the next few months on tinkering with the contract, hoping that by next Christmas it will have achieved a fairly lively market.

By contrast, the gasoline con-



IPE gasoil contracts

tract is not expected to recover from its snail's start. The spot gasoline market is small and dominated by a tiny handful of players, mostly traders or blen-ders, who had initially told the IPE that they would be interested in such a contract.

However the group is too small to make up an active mar-ket, and in any case are generally all either wanting to buy or to sell simultaneously, and loath to deal in a market without liquidity.

Furthermore, it may be in the interests of the major oil com-panies that a thriving and trans-parent market in gasoline should never develop, as such a market arguably could reduce their leeway in setting petrol prices at the pumps.

Meanwhile, a third effort to establish a crude contract is under way, this time with at least a fair chance that it will succeed. Previous attempts failed chiefly because the majors, who would be the dominant users of the crude contract, saw no need for it.

However, following the near collapse of the 15-day Brent market at the beginning of the year, the majors are now at least ory committee in which the majors are represented has met several times and has got as far as drawing up a draft contract.

This would be of a similar size to the snot contract of the snot contract of the snot contract. to the spot contract—800,000 barrels of Brent—and physical

delivery would take place at Sullom Voe.

The IPE has other tricks up its sleeve for this year. Next will come an option based on the gasoil futures contract. This will be London's first traded energy options contract, and is likely to be ready for a launch in May.

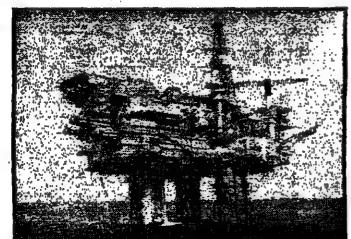
At the moment business in options in London is limited to tailormade options which are being sold by some of the bigger trading houses, but business in these is fairly slack.

Other changes involve in-troducing "locals" — traders who buy and sell on their own account—to the London market Locals are an essential part of the New York futures market, and partly explain why turnover in New York is much higher than in London

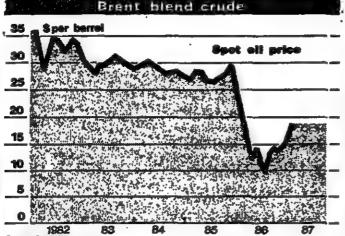
According to Mr Wildblood, only 30 per cent of the trades on Nymex are done on behalf of the industry, compared to more than 70 per cent in London.

The difference is also due to the gulf between the attitudes of British and American specula-However, following the near tors to futures markets. While collapse of the 15-day Brent market at the beginning of the year, the majors are now at least willing to talk. A special advisory committee in which the persuade the London cab driver

Lucy Kellaway



The Brave platform on the Shell/Esso Brent field.



The London Brent market

Need and firmness brighten the year

THIS TIME last year Brent market was in a desperate state. The collapse in oil prices had resulted in a whole series of defaults, both real and threatened, and while the big players wondered how best to clean up the mess, trading slowed to a standstill.

Mesnwhile, in the US, activity on the New York Mercantile Exchange was hitting one daily yolume record after another with traders sucked into the

with traders sucked into the market by the dramatic price

market by the dramatic price swings, but in the Brent market there was nothing doing.

"The shape of the world trading has changed," the Petroleum Argus weekly oil newsletter said in March. It argued that the Brent market, which hitherto had been just as important as the market in New York, had become of "doubtful significance."

The Brent market had failed the test of the collapse in the oil price because it was too informal, and wriggling out of any deal that did not suit a trader was a relatively simple matter. If the market was ever to recover, tighter regulation would be needed, all the experts said at the time.

few weeks after the February collapse they found that they would rather risk further defaults than leave themselves uncovered against an oil price that had resumed its steep slide. If the majors want to cover their North Sea production there is little alternative than to use the Brent market Despite. use the Brent market. Despite the claims of the New York Mer-

rentile Exchange, its West Texas Intermediate (WII) contract will not do as a world hedging mechanism for crude oil, even though it is liquid enough to serve sverybody's paeds.

needs.

This is because the spread between the WTI price and other crudes can sometimes move almost as much as the oil price itself. While the WTI price should normally command a However, a year later, and premium of about 70 to 80 cents

BIG BANG

FOR THE BUCK

NYCOM ASSOCIATES

Public Relations

Marketing Communications

Advertising

Serving corporate and financial services clients

For information, please call:

Matt Zachowski

Martin B. Mosbacher

NEW YORK COMMUNICATIONS ASSOCIATES, INC.

122 East 25th Street, New York, N.Y. 10010

(212) 598-6944

over the Brent price, at times last year it was more than \$1.50 and at other times had reversed into a small discount.

which required the buyer to produce letters of credit and so on. Rowever, as different oil companies came up with different price.

sort of players using the market, not interchangeable, and the Rather than try to introduce a result was confusion. tough regulatory structure, the majors protected themselves against a fresh wave of defaults by taking firmer action on the sort of party they were willing to trade with Following the structure and are come for standards. sort of party they were willing to trade with Following the

duced a serious liquidity prob-lem, they were replaced by a larger and altogether more powerful class of player, the so-called Wall Street Refiner.

From a position of near obscurity a year ago, big US securities houses like Drexel Burnham Lambert, J. Aron, and Morgan Stanley have now come to dominate the market. Indeed, by the end of last year they accounted for well over half of total turnover, compared to a negligible amount just over a

The oil companies have acquired a schizophrenic attitude towards the new boys in the game. While they welcome their presence for the liquidity which they contribute—making it easier for a major oil company to bedee a very large position to hedge a very large positionthey also resent the loss of

control

It is becoming increasingly difficult to second-guess what the Wall Street firms are up to. At first they merely dealt in paper barrels, dealing usually on a fully-hedged basis, offset-ting one month off against another of Brent against WTL

However they then started taking delivery of oil—not some-thing one usually associates with a securities trading firm. As most of them are still expanding their oil trading division, the oil industry is watching anxiously to see what they are going to do next.

Even though the market is now as active as it ever was, none of the main participants regards the present structure as a permanent arrangement, and a number of solutions are being

considered.

The immediate reaction of the majors to last year's collapse was to introduce new contracts

into a small discount.

The second reason for the rent solutions, the new conrecovery has been a shift in the tracts that they produced were

tion, and are considering ways of replacing the bundle of conrebruary upheavals the smaller of replacing the bundle of contraders were shaken out of the market altogether.

While this could have prospect the bundle of contracts with a single one. However as they have been slow to move so far, some doubt whether a truly uniform con-tract will ever be produced. More radical moves are also

afoot. One would involve moving the whole market on to the trading floor of the International Petroleum Exchange, where trading is tightly regulated, and where there would be a central clearing house for all deals.
Such an idea is not new, and
the IPE has been trying to
implement it for the past three
years with no success. This time
the big oil companies, which
had previously preferred to the big oil companies, which had previously preferred to look after their own patch them-selves, are now at least willing

the major oil companies are represented has been formed to try to smooth out remaining dif-Meanwhile, a softer alterna tive—that of establishing some form of clearing house to bring order to the existing forward market—has also been pro-posed by a number of different companies including some of the large US banks.

to talk. A committee on which

Because a clearing house represents a smaller step from the existing system, and because the majors prefer to be able to select their trading partners for themselves rather than accept themselves rather than accept the anonymity of a futures mar-ket, this is the option—if any most likely to be chosen.

A further uncertainty con-

cerns the changes to the system of calculating a company's petroleum revenue tax liability. Last year the Government suddenly announced that it was to crack down on tax spinning. their oil to a third party in order to make their liabilities as low

Lucy Kellaway

Oil products

How the consumer outweighs Opec

sold on an unspecified day some two or three months into the future. Instead it depends ultimately on the price a customer is prepared to pay for an oil product.

What the American motorist is prepared to pay for a gallon of petrol, what the German family will pay for its tank of heating oil, or the electricity board for a shipload of fuel oil in the end shipload of fuel oil in the end will have more say than any Opec decision. The price of crude might lead the price of oil products in any market climb, but if products refuse to budge then the price of crude will specified the price of crude wi

surely come down.

To make sure that oil products reach the customer is how the spot market began. In 1979 when the Islamic Revolution took Ira-nian production out of world supply many customers were left wondering how to get the products they needed. In step-ped the product traders, smoo-thing out the supply-demand imbalance and taking their pro-fit on the margin fit on the margin.

What began with products, soon progressed to crude. And after crude came the futures as traders hedged against market in an unpredictable

But last year the future seemed all too predictable. There was too much product around and not enough customers. Not even the great price fall of January 1886 could do much to alter the situation. German families stock up on heating oil in the spring and by December there was 2m tonnes of unsell-able heating oil in independent storage in Rotterdam.

Fuel oil more than halved in price, down from \$135 a tonne in January to \$45 a tonne in July, but the British Electricity Board went ahead and signed a new agreement in May with British Coal to burn coal not oil. Not even the American motorist responded. US gasoline demand was up only 3.5 per cent in the summer of iast year; the price of products remained depressed.

Not only depressed but volawhich were regarded as ultra stable in price, began bouncing like a yo-yo. Last September the price of fael oil on the Rotterdam barge market rose 16 per cent in one day and 80 per cent in two months. Even speculative products, like heating oil imported from the Soviet Union—a market known because of its unpredictability as Russian Roulette—became even more unstable, responding hour by hour to variations in the

Volatility had some obvious effects. Trade became thin as taking long or short positions over any length of time carried grave risks. Thin trade was punctuated, however, by bouts of rapid activity as price trends encouraged everyone to pile on to the bandwagon, only to jump off again equally rapidly when the trend reversed. This exaggerated each price swing.

In Europe, traders blamed the futures market for the commodity style volatility of oil. Movements on futures were reflected later in the physical products markets as hedging and hasic trading interwove the heating oil market with heating oil futures. But to offset forward exposure to risk traders were exposure to risk, traders were tempted to use futures despite much opprobrium directed towards the screens.

However, the IPE in London had insufficient liquidity for full product cargoes to be easily hedged so this served to increase price volatility.

Volatility was unwelcome. Never mind the risk exposure, price instability discourages substitution into oil products. Even if fuel oil was cheaper than coal, no electricity board in Europe wanted to shift to major oil burning for fear of

lies who stocked up on heating moving the futures price. oil would not buy as long as there was the possibility of a

For oil product traders last ear was an infuriating challenge, Most survived, Customers stocked up early in the year and then just nibbled as and when the price tempted. Independent traders tried to reduce their risks. Extended market positions were avoided. Trade was linked to futures or to reported prices rather than fixed prices which might be way off the mar-

ket when the contract matured.

Large trading groups diversified options, often moving downstream as relining profits increased, to become small inte-grated companies. And the majors rediscovered that their profitable business was selling oil products to customers rather

than trading on the spot market.
The spot market, however, continued to grow, Not just through the development of futures markets but through the interconnection of worldwide product trading. But the two product trading. But the two main trading arenas outside Europe, the United States and the Far East, have their own individuality but they began to respond along European lines to last year's challenge.

The greatest difference between product trading in the US and in Europe is the huge volume of forward trade in the US caused by the New York more than a grain of truth.

Mercantile Exchange—Nymex.

Although product contracts are anthough product contracts are confined to unleaded gasoline and heating oil, almost all clean products are now traded at prices linked to Nymex. This has been one factor helping the volume on Nymex to far outstrip that on London IPE, enabling

THE PRICE of oil is not deter-mined by the latest Brent cargo The Germans and Swiss fami-hedged with far less chance of rels 2 day refining capacity Despite the size of Nymex, some traders have still felt con-

fined by it, as well as finding the margin calls expensive. This has led to the growth in forward trade in heating oil cargoes with delivery into Boston Harbour. Dubbed "Boston Bingo," it is the equivalent of the Russian Roulette trade in Europe, but as yet on a far smaller scale, having been in operation less than

Most US trade continues at a constant pace. Fuel oil comes ont of Venezuela and the Carib-bean into the US East Coast in the same way that fuel oil flows out of the Soviet Union and the East Mediterranean terminals into Europe. And just as Russian heating oil comes into north-west Europe, heating oil also heads westwards to the US from the Mediterranean export refineries. But the heating oil trade is also a two-way street, large amounts going eastbound for the US during the January freeze in Europe.

In general, large US oil companies have remained far more integrated in the US than in Europe, the impetus to trade more often coming from a need to balance the refinery's production than to make a quick buck in international product trading the traditional picture of the conservative southerner and the streetwise Yankee has

Oil trade in the Far East is concentrated in Singapore. It is strategically sandwiched between two producers, Indonesia and Malaysia, and is little more than a week's sailing from the Indian subcontinent and the

newly-developed economies of

makes it the third largest refig-

ing centre in the world.
Crude oil from the Middle East and Far East producers was traditionally refined in Singapore and then exported to the region's consumers. During the 1970s and early 1980s independent oil traders sprang up catering for marginal demand and supply. The pace of busi-ness was slow by international standards as trade tended to focus on regional selling or buying tenders from the newly-nationalised state oil corpora-

Over the past few years Singa-pore's role has been challenged. The first challenge came from the Middle East—equidislant between Rotterdam and Tokyo—where Opec producers built their own refineries. Refined oil products from Saudi Arabia could go east or west

depending on price.

The latest challenge is from Tokyo. As Japan's trade bar-riers are removed Tokyo looks an increasingly attractive base financial houses are looking to oil as an attractive investment and the liquidity of the market

is growing.
If current trends continue, the Far East will soon become as well known as the Rotterdam spot market and, along with the US, will become an integral part of the 24-hour worldwide oil market.

> Peter Caddy, Mark Schofield. and Chris Johnson

The authors are specialists at Petroleum Argus.

THE ADVANTAGE OF A ONE-TRACK

At Cargill Investor Services, futures and futures options are our only business. This focus has made CIS a leader in serving the petroleum industry.

Whether your objective is hedging inventories, production, future supply needs or simply taking advantage of price volatility, our Energy Futures Group is able to recommend the appropriate futures strategy as well as provide superb execution.

Our reputation for stability, service and trust stands behind our ability to serve the growing needs of both the petroleum producer and consumer.



CS is a superflow introduct subsidiery of Cargoline and is a clearing member of as enach U.S. hourse, profession

Over two centuries of innovation as brokers and dealers to the world

ENERGY-PUTCRES-ENERGY-FUTURES-ENERGY-PUTURES-ENERGY-FUTURES-ENERGY FIFTHERS-ENTERT-PUTTINES-ENERGY-FOTURES-ENTERGY-PUTTINES-ENTERGY-PUTCHE ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES-ENERGY FIFTURES-ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES-ANERGY FUTURES-EXERGY-PUTURES-EXERGY-FUTURES-ENERGY-FUTURES-EXERGY-FUTURES ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES-EVERGY PUTURES-EXERGY-PUTURES-EXERGY-FUTURES-EXERGY-FUTURES-ERERGY-FUTURE ENERGY-FUTURES-ENERGY-FUTURES-PNERGY-FUTURES-ENERGY-FUTURES-ENERGY FUTURES-ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES ENERGY-FUTTERSS-ENERGY-FUTTERSS-ENERGY-FUTTERSS-ENERGY-FUTTERSS-ENERGY PUTURES-ENERGY-PUTURES-ENERGY-PUTURES-ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES EXERGY-FUTLRES-ENERGY-FUTURES-EXERGY-FUTURES-EXERGY-FITTIRES-EXERGY PUTUREN-ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES-ENERGY-FUTURES

Sugar Quay Lower Thames Street London EC3R 6DU Telephone: 01-626 8788 Telex: 885431 EDFMAN G



ED & F Man International Futures Inc Two World Trade Center Room 3050 New York, NY 10048 Telephone: (212) 912 8750 Telex: 423195 MAN INT

FT LAW REPORTS

Avoidance scheme results in

FRASER STEPREN BIRD AND OTHERS V INLAND REVENUE COMMISSIONERS BREAMS NOMINEES LTD AND ANOTHER V INLAND REVENUE COMMISSIONERS

Court of Appeal (Sir Nicolas Browne-Wilkinson, Vice-Chan-cellor, Lord Justice Balcombe and Lord Justice Bingham): January 30 1987

COUNTERACTION by the Inland Revenue to a tax advantage obtained under a on the contrast between tax payable under the scheme and that which would have been payable had there been no scheme; but the counterno scheme; but the counteracting assessment should not
give credit for tax liabilityarising from transactions
within the overall scheme,
though the total burden falling directly or indirectly on
the taxpayer may be higher
than if the scheme had not
heep adouted been adopted.

The Court of Appeal so held with reluctance, when dismis-sing appeals by Fraser Stephen Bird and others, and Breams Nominees and another, the tax-payers' personal representatives and trustees respectively, and allowing cross-appeals by the Inland Revenue, from Mr Justice Vinelott's decision ([1985] STC 584) upholding in reduced amount assessments to income tax made as counter-

action to a tax advantage. Section 460(3) of the Income section to a tax advantage.

Section 460(3) of the Income and Corporation Taxes Act 1970 provides: "Where this section applies to a person in respect of any transaction ... the fax

belonged 70 per cent to a com-pany called limarish. The shares in Ilmarish belonged to the taxpayers.

It was desired to realise the Croydon property and distribute the net proceeds. If that had been done in the conventional manner it would have given rise to cumulative tax charges, which would have absorbed most of the proceeds. The parties went to Bradman and Fraser for advice as to the avoidance of

higher tax

borrowed money, Ilmarish sold its shares in CCD; the Croydon property was sold for £9.8m; repay (via Interlude) to CCD acquired cash, £2.39m of Ilmarish to enable Ilmarish to which it distributed to share-holders as abnormal dividend; and £2.43m was lent to the tax payers by Interlude a company the basic approach to payers by Interlude, a company wholly owned via another company by Ilmarish, and controlled by the taxpayers.

The Inland Revenue issued notices against the taxpayers under section 460(3) of the 1970 Act, and made assessments of £1.1m and £972,000.

The Special Commissioners upheld the assessments. Mr Justice Vinelott on appeal reduced them to £945,185 and £.56,148 respectively.

The tax advantage obtained

The tax advantage obtained could be counteracted under section 406(3) if the case came within the section. Under section 461 C it came within section 460 where "... in consequence of a transaction whereby ... any other person ... has received an abnormal dividend ..." the person in question had received consideration in such a way that he did not bear tax on it.

The issue on paragraph C was

The issue on paragraph C was whether the "consideration" (ie the loans to the taxpayers from Interiude) was received by the taxpayers in consequence of a transaction "whereby" the

of any transaction . . . the tax one overall scheme with a advantage obtained . . . shall be number of constituent parts all counteracted by . . . assessment directed to a single objective THE VICE-CHANCELLOR said that prior to 1971 a valuable property in Groydon belonged forming part of such overall scheme (ie the payment of \$2.1m under section 460.

The property in Groydon belonged to a company called Groydon Centre Development Ltd (CCD). It was thought to be worth \$10.2m and was charged to an American bank to secure a debt of \$5.8m.

The share capital of CCD that a receipt of money forming part of such overall payers together in the sum of \$2.1m under section 460.

Therefore, if the Special Commissioners were right, directly and indirectly the taxpayers would have to bear tax on well of shares in CCD) to justify over \$2.5m in relation to a bolding that the earlier transaction in relation to a bolding that the earlier transaction in relation to a scheme which in fact produced abnormal dividend was received.

The findings of fact by the Special Commissioners were double taxation, since the held that a receipt of money

Special Commissioners were unimpeachable, and the judge's

counteraction under section 460 was laid down by the House of presupposes a situation in which an assessment to tax... is made or may possibly be made; that the taxpayer is in a tion, a tax liability accused on position to resist the assess the lending company. There ment by saying that the way in was no satisfactory or adequate which he received what it is ground to distinguish the presought to tax prevents him from being taxed on it; and that the Revenue is in a position to reply that if he had received what it is sought to tax in another way he would have had to bear tax. . . ."

The Special Commissioners applied that approach by con-trasting the receipt which in fact accrued without tax (ie the loans) with a similar receipt which might have accrued in a taxable way (distribution of dividend).

If their computation was right, the Revenue was entitled to recover tax in relation to the several steps of the overall scheme far in excess of that which would have been payable if the scheme had not been

The Revenue would recover tax on CCD in respect of the disposal of the Croydon pro-perty; on Hmarish, in respect of the chargeable gain on the sale of CCD shares; and on the tax-

double taxation, since the assessments were all made on unimpeschable, and the judge's conclusions in law were correct. The circumstances in paragraph C did exist and the case came within section 480.

The "tax advantage" relied on by the Revenue, and found by the Special Commissioners and the judge, was the receipt of the loans from the taxpayers which under the law as it was then thought to be did not attract tax.

The section 460(3) notices assessments were all made on seases and the judge, separate legal entities, in substance of Lords might feel able to of Lords might feel able to for Lords might feel able to for its legitimate stated purchase around the section 460 could only be used for its legitimate stated purchase. The section 460 could only be used for its legitimate stated purchase avoidance schemes. . can expose and the judge, was the receipt of the loans from the taxpayers entitled. like the rest of us, to justice. Beingham agreed.

In Williams v ICR 54 TC 257 taxpayers received loans similar to those in the present case.

advice as to the avoidance of attract tax.

The section 460(3) notices to those in the present ease. It was immensely complicated and fell into four parts—the the whole amounts paid to the property," "share," "extraction" and "loan" schemes.

By the use of Bradman companies and the circulation of reduced the amount to be assessment and the taxpayers had been subjected to con-

sequential surfax apportion-ments. The decision was upheld in the House of Lords. Mr Justice Vinelott felt able

to distinguish Williams because there the practical likelihood of the loans being called in was negligible whereas in the present case, in his view, there was a high probability that they would be called in to dis-

charge Ilmarish's tax liability. The decision in Williams was binding and it was not legiti-mate to distinguish it on those grounds. The nature and value of the receipt by the taxpayer Lords in IRC v Parker [1966] of the receipt by the taxpayer AC 141, 178. There Lord Wilfell to be judged as at date of berforce said: "The paragraph receipt, In both cases the parties expected never to have to repay the loans or to do so only if, contrary to expectasent case from Williams.

The court was bound to allow the cross-appeal and reinstate the assessment in the full amount. That conclusion was reached with the utmost dis-taste, as it was both unfair and oppressive. It was hoped that the House of Lords might feel freer to do justice by reconsidering some of the earlier decisions.

In a comparatively simple case like Parker, the straight-forward contrast between the actual receipt of monies in a non-taxable way and another way gave rise to no anomalies. But in complex cases, like the present, the position was quite different. The case only fell within section 460 because there was one overall scheme designed to transfer the pro-ceeds of sale of a property, free of tax, into the hands of the

If the implementation of such an overall scheme gave rise to tax liabilities, borne directly or indirectly by the taxpoyer, the tax advantage was pro tonto diminished. It should follow that any counteraction should take account of such diminution. Power to counteract tax advantages should not permit a notice beyond real counteraction.

It was hoped that the House of Lords might feel able to reconsider the whole matter

For the Revenue: Donald Rattee, QC, and Christopher McCall (Solicitor, Inland

By Rachel Davies

Introducing SWIFT on

the Wang VS. It's a system you can bankon.

SWIFT on the Wang VS is good news for

locations around the world. SWIFT on the Wang VS is unique because it

combines the information processing strengths

of the Wang VS with a comprehensive new

standard of branch processors for your international offices. So now you can integrate your

communications systems, data processing,

and office automation with SWIFT.

© 1987 Wang Laboratories, Inc.

members of international financial and bank-

ing service institutions. Designed to facilitate

integration of your VS financial applications

with the SWIFT system, and distribute that information through the SWIFT network to

We wanted to run the Region from a central location instead of London", says Mr. Cyril Bleasdale, General Manager, London-Midland Region, British Rail. "Birmingham, at the heart of the Inter City network, proved an ideal choice, leading to significant overall reductions in operating costs. The move has settled down well and most staff appreciate the higher standard of living resulting from lower house prices and shorter commuting journeys.

SWIFT on the Wang VS is better than

Together with Wang's other solutions that

help simplify everything from branch banking to

What's more, it's from the company that

For more information in the United States, call 1-800-225-WANG, in Europe 44-1-568-9200, in Asia 852-5-837-4111,

and in Latin America 305-447-0847.

international transactions, SWIFT on the Wang

VS reflects Wang's commitment to the financial

SWIFT from an ordinary supplier because it

has been designed to meet the future needs

of financial services and to accommodate

the transition to SWIFT II.

makes it work. Wang.

SWIFT on the Wang VS has far-reaching impact.

With the rationalisation of British Rail's Management structure in 1985, Birmingham was chosen as the only logical choice for the Headquarters of the London-Midland Region. Birmingham has all the necessary ingredients for success:

- Quality sites and buildings of all sizes;
- Office rent and rates less than one third of those in Central London;
- Unbeatable national and international communications
- A committed workforce, skilled in a wide
- At the centre of a domestic market of some 8 million people living within 50 miles of the City Centre;
- An unrivalled range of suppliers, subcontractors and professional services on your doorstep;
- A financial package moulded to your individual requirements.

For further details, clip your business card to this coupon, or:

Telephone 021-235 2222 – TODAY!

Bi<u>rmingham</u>

Birmingham City Council, Development Department, Economic Development Unit, Room 101, Congreve House, 3 Congreve Passage, Birmingham B3 3DA

FINANCIAL TIMES CONFERENCES

Cable Television & Satellite Broadcasting

This 1987 conference, the fifth in a series arranged in association with New Media Markets, will bring together a distinguished panel of speakers to review the future of the new media at a critical turning point in their development.

Questions to be discussed include:

- What kind of future for public service broadcasting in an age of satellites?
- Could cable be about to take off at last?
- DBS the satellite may fly but is it a business?
- How will the international battle for the European audience turn out?

Mr Jon Davey

Cable Authority

Speakers include:

Mr David Mellor, MP Minister of State at the Home Office Mr Michael Checkland

Mr David Shaw Independent Television Companies Association Limited

Mr Ian Clark

Clyde Cablevision Limited

Granada Group PLC

Mr Charles Wigoder Carlton Communications Pic

Mr Ian Ellison, CBE

Mr Andrew Quinn

Robert Fleming & Co Limited

Mr Bolf Arnim

Mr Richard Hooper Super Channel

Mr Patrick Cox

Sky Channel Mr Gunnar Rugheimer

Home Video Channel Limited

Date and Venue:

18 & 19 February, 1987 Hotel Inter.Continental, London

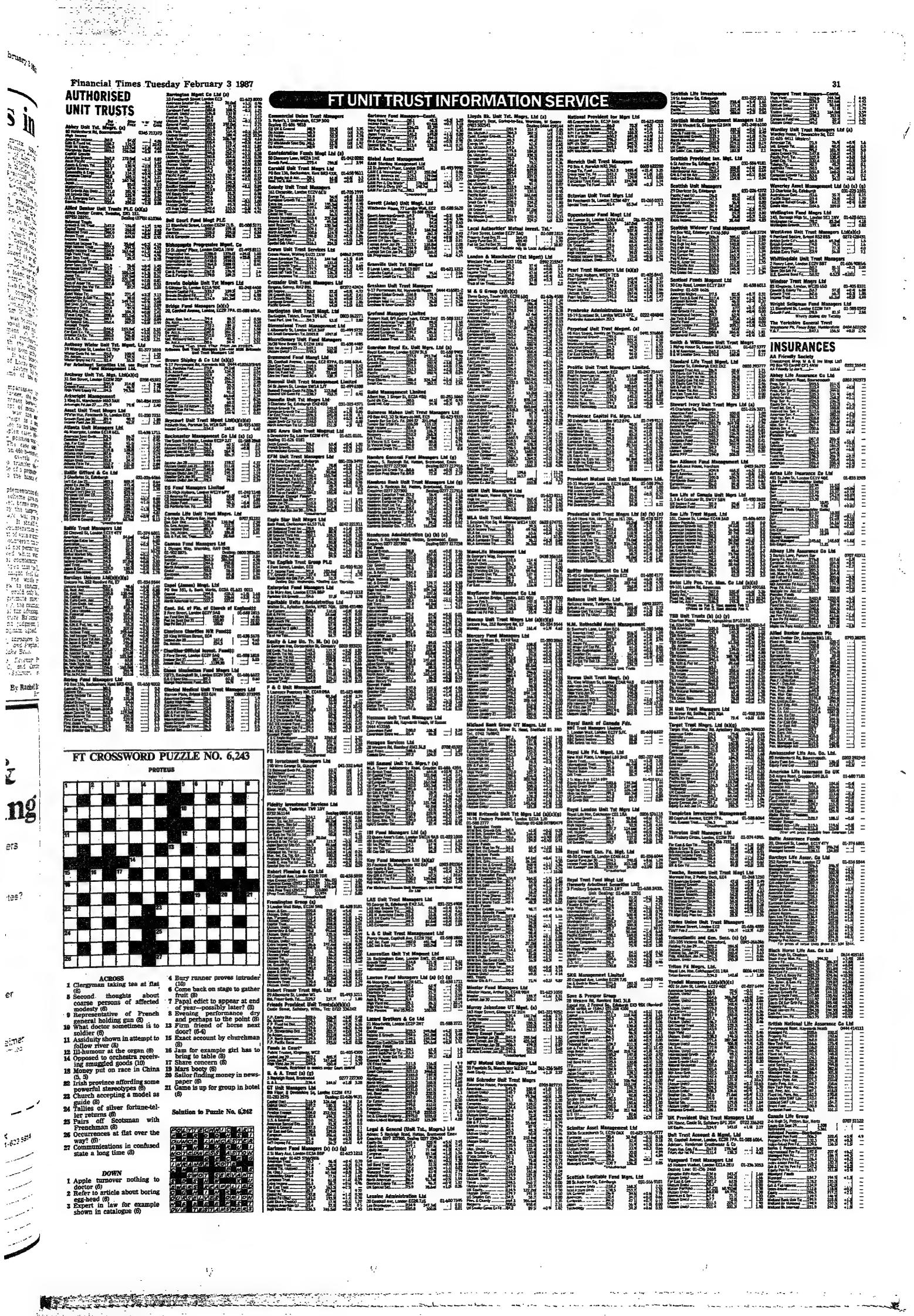
Cable Television & Satellite **Broadcasting**

CABLE TELEVISION & SATELLITE BROADCASTING CONFERENCE



A FINANCIAL TIMES CONFERENCE **NEW MEDIA MARKETS**

To: Financial Times Conference Organisation Minster House, Arthur Street, London EC4R 9AX Tel: 01-621 1355 Tix: 27347 FTCONF G Fax: 01-623 8814
Name
Position
Company.
Address



Financial Times Tuesday February 3 1987 32 2060 1053 1244 Insurance Co Ltd Growth Asser Co Ltd 8011 749.0 757.0 207.0 757.0 773.1 7 98.6 120.2 120.2 120.2 120.2 120.2 120.2 110.2 111.2 111.2 191 4 157 8 122 1 174.7 119.5 143.5 115.0 131.4 162.6 166.5 166.5 487.9 238.5 241.0 174.7 329.5 121.1 178.9 distant (A)

Grant (A) ity of Ediaborgh Life Assurance 114.6 99.1 107.2 103.9 109.7 45.9 113.1 406.5 247.5 186.6 164.0 284.7 136.2 Co LEE 4177444474 Leaden & Manchest Landon & Manchester
Winstate H, Exeter E(5 105
Inscattnest Trust F6(1) 451.3
Property F6 (2) 123.5
Property F6 (2) 124.5
Property F6 (2) 125.5
Property F6 0392 5215 0494 33377 1337 = 200.6 172.6 187.6 170.6 170.6 170.6 183.1 183.1 183.1 183.5 183.6 Id & G Group Three Guays, Tower I Amer Bond (Acc) Amer Sent Co Bd (Acc) Provident Way, Ballestohe Naci. 274 Unit Food 179.0 St. 2014 St. 2 0273 724570 Martin Martinal Life
5 Bow Churchyard, Leaden ECA
Managed Post. 174,4
Managed Prospect Find 190,5
Universit Find 190,5 Royal Life Insurance Ltd New Hat Place, Liverpool L69 SHS Royal Sheet Fd. 553.3 Royal Life (Unit Clarket Bassesses) といいない。 11-349 2325 +11-3 01-223 2575 は終しばは | Second Services Expellation LIM Assets, Sec.

Services Expellati | Fig. 2016 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 1975 | 19 0981500000

**

. . .

. . .

HEATING OIL 42,000 UE gall

PLATINUM 50 tray oz. \$/tray oz

SILVER 5,000 troy oz, cents/troy oz

561.5 657.4 563.2 569.3 629.0 560.4 567.0 583.3 566.9

CHICAGO

LIVE CATTLE 40,000 lb.

521.5 524.5 534.0

999.5 965.5 571.0 575.0

Close 51.10 50.10 46.10 46.20 46.10 46.50

ORANGE JUICE 15,000 lbs. cents/lb

LME studies dollar settlement scheme

THE LONDON Metal Exchange has launched a study into the possibility of quoting dollar settlement prices for its six traded metals alongside

the existing sterling prices.
Having been advised that it
would be impractical to trade
sterling and dollar contracts in tandem for aluminium, the main dollar dominated metal, and being unwilling to abandon the sterling contract for that metal, hte exchange is now considering a plan for

Brussels

seeks to

curb oils

imports

the introduction of trading in a dollar-sterling exchange rate quotation provided by an international group of banks. headed by Lloyds Bank.

The bank group would set a rate daily at 1.15 pm, which would be used to calculate official dollar settlement prices for all LME metals. Negotiations between the benks and a special LME sub-committee, headed by Mr Alan Booth of Billiton Enth-

even Metals, are reported to he at an advanced stage. For some time aluminium traders have felt the need of a dollar-denominated settle-ment, but over the past year or so this has been spreading to traders in the other metals, as wide fluctuations in the sterling-dollar rate have forced them increasingly to talk and think in dollar terms. So far satisfying this need has been left to a number of brokers and banks which

have offered tradable sterlingdollar rates. But even among those brokers there is a official rate endorsed by the LME itself would greatly improve the market's trans-parency for dollar trading DIGIT POSSES.

Although the sub-commit-tee is confinding itself for the moment to the possibility of a dollar quote &r Booth says settlements in other curren-cies could come in time.

Zinc producers try to resist price slide

PLANS for an oils and fats tax could hold up formal adopiton by the European Commission of its 1987-88 farm price pro-posals, some observers suggested in Brussels yesterday. EEC officials, however, are still betting that the tough package of measures—designed to keep up the battle against Europe's food surpluses—will be agreed at the weekly meeting of the

17-man Commission tomorrow. The idea of an oils and tats tax or "stabilisation mechanism"—which would effectively be a tax on the use of imported oilseeds—was not included in the original measures put forward inside the Commission last weekend by Mr Frans Andriessen, the EEC's Farm

Commissioner. Given that the tax would hit US producers directly, it was considered far too sensitive to table during the delicate negotistions with the US over lost EEC markets for maize and

Now that this conflict has been successfully resolved, however, the Commission has, once again contemplated the merits of such a scheme which may consist of an overall tax on oilseeds production and a system of deficiency payments to EEC producers to ensure that there is no reduction in the ex-farm price. The net effect would be that the price paid by crushers for domestically produced seed will remain unchanged while the cost of imported soya and other ollseeds will rise by the

amount of the tax.

This concept, while politically attractive in the EEC, seems likely further to exacerbate EEC/US relations just when one agricultural dispute has been settled.

Heridas uncertaint over oils

Besides uncertainy over oils and fats, the Commission over the last few days has also been attempting to make more coherent plans for abandoning coherent plans for abandoning to lose an estimated the current system of monetary Baht 40-70m (\$1.6-2.7m) in the D-Mark blased "agricultural Ecu," in favour of the old system based on a "central"

Ecu.
The Commission ultimately wants to phase out MCAs but faces the challenge of how to do this without allowing ministers the opportunity to push through disguised institutional farm price increases in the form of green currency devaluations. The Commission has granted export subsidies for the sale of almost 1m tonnes of feed wheat to the Soviet Union.

LONDON METAL EXCHANGE WAREHOUSE STOCKS (Changes during week ending har Friday)

Aluminium	-3,175 to	112,07
Copper	+1,125 to	175,47
Lead	-1,750 to	40,40
Nickel	+30 to	6,57
Tin	-450 to	35,77
Zime	+3,650 to	28,62
	(ounces)	

THE SEEMINGLY inexorable

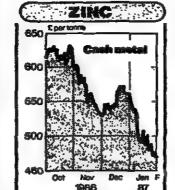
slide in London Metal Exchange zinc prices continued yesterday in spite of an apparent effort by the majority of European smelters to stop the rot.

Last Wednesday Metallgesellschaft of West Germany, a tra-ditional market leader, lowered

ditional market leader, lowered its European producer price (EPP) from \$520 a tonne to \$770, following a similar cut two weeks earlier. But although the price was still about \$50 above the LME level (considered by most analysis to be the maximum reasonable pre-mium) the move was not immediately followed by other smel-

second lead from Billiton of the Netherlands, the other traditional price-setter, and when that came, on Friday, it was for a cut of only \$30 to \$790 a tonne. The pricing round was completed yesterday with the vast majority of producers following Billiton—only Penarrova right an of France followed Metallgeseliments of the control of the c schaft's example. An executive for one leading

smelter suggested yesterday that the market outlook might appear gloomier in West Germany, where customers' stocks



are believed to be high and buyers are few and far between at the moment. "Elsewhere in supply/demand balance is still relatively tight,"

inclined to believe, however, that Metaligesellschaft got it right and that the others are simply trying to resist the

inevitable.

Mr Stephen Briggs of Shearson Lehman Brothers, the
London broker, believes the
smelters are trying to "hold

they are not yet ready to attempt again the "tried and failed method" of market inter-vention, which left a number of em with badly burnt fingers before Christmas.

He thinks further falls are coming and does not rule out a slide below the \$650 level, although he does not think that is justified by market funda-

"The charts are appalling."

he says, " and sentiment is still poor, even among producers. Against that background con sumers appear to be holding off in the hope of prices going lower still. Hhad all the smelters followed Metallgesell-schaft's lead the LME price would have collapsed even more quickly," Mr Briggs says. As it is the three months quotation has fallen another £16.75 since last Wednesday's announcemen with yesterday's £6.75 decline taking the price to a fresh nine-month low.

Mr Briggs thinks the market could be nearing the "danger level." however. 'Any further substantial price fall could prompt smelters to look seriously at further capacity

Rice sale may cost Thailand £1m

THE THAI Government is to sell 250,000 tonnes of rice to grade, 100 per cent B white popular. I Last year Thailand exported European broker for \$42.8m fob per tonne for delivery to the largest single Thai rice deals ever.

The combined deal for high largest crop, is always politically popular.

Last year Thailand exported to the largest since the end of December the Bakt 19.4bn earned was down the largest to the accordance of the accordance to the accordance of the accordance The move is likely to give a

further boost to domestic rice prices, which are already rising, unusually for the present peak harvest period. But it is controversial because in the process the Commerce Ministry appears to be prepared. order to assist two of Thailand's largest exporters. The Commerce Minister, Mr

Montree Pongpanit, declined yesterday to give any more than the broadest outlines of the deal, leaving out even the destination of the rice. But traders said that the Ministry was actually taking over orders obtained by Capital Rice Company and Hong Yiah Seng Company in December when prices were low. Capital Rice that the mean to the sold to the Malaypany and Hong Yiah Seng Company in December when prices were low. Capital Rice that the mean to the sold to the Malaypany and Hong Yiah Seng Company in December when prices were low. Capital Rice that the mean to the sold to the Malaypany and Hong Yiah Seng Company in December when prices were low. Capital Rice that the mean to the sold to the Malaypany and Hong Yiah Seng Company in December when prices were low. Capital Rice the by up the rice for the deal now.

Mr Montree did take the milled) rice. Aithough prices have recovered slightly they capital out of his Ministry's increasing role in exporting rice, amouncing another 60,000 to the Malaypany and Hong Yiah Seng Company in December when prices were low. Capital Rice the deal now.

17.06m tonnes of rough (unmilled) rice. Aithough prices have recovered slightly they capital out of his Ministry's increasing role in exporting rice, amouncing another 60,000 to the Malaypany and Hong Yiah Seng tonnes to be sold to the Malaypany and Hong Yiah Seng tonnes to be sold to the Malaypany and Hong Yiah Seng tonnes to be sold to the Malaypany and Hong Yiah Seng tonnes to be sold to the Malaypany and Hong Yiah Seng tonnes at rough rice. Aithough prices Aithough prices did take the milled) rice. Aithough rice. Aithough prices did take the milled) rice. Aithough prices did take the milled) rice. Aithough rice. Montree Pongpanit, declined

since the end of December the Ministry has bought 170,000 tonnes of this grade from ex-porters at prices estimated to be equivalent to \$177-\$192 fob.

Exporters say it is often more profitable to sell to the Ministry than to export. But Government purchases lifted domestic prices in January enough to have threatened Capital Rice and Hong Yiah Seng with losses from the Iranian deal-aithough not to the extent of needing to

from 40m tonnes exported in 1985, because of competition from lower and subsidised US prices and the lower quality of the That havest. Exports this year have started off well with 300,000

tonnes sold in January. But this year's harvest is smaller because of the irregular rainfall and farmers cutting back on expen sive fertiliser and pesticides The main dry season harvest is be baled out—if they were to buy up the rice for the deal now.

1.06 m tonnes of rough (un-

Israeli cotton losses continue

| BY JUDITH MALIZ
| ISRAELI cotton farmers found themselves deeply in the red this organisation had requested themselves deeply in the red this organisation had requested the industry would see a turn themselves deeply in the red this organisation had requested the industry would see a turn themselves deeply in the red this organisation had requested the industry would see a turn themselves deeply in the red this organisation had requested around in 1967, and might even this organisation had requested the industry would see a turn themselves deeply in the red this organisation had requested the industry would see a turn the industry would see a turn the industry would see a turn themselves deeply in the red this organisation had requested the industry would see a turn themselves deeply in the red this organisation had requested the industry would see a turn themselves deeply in the red this organisation had requested the industry would see a turn themselves deeply in the red this organisation had requested the industry would see a turn themselves deeply in the red this organisation had requested the industry would see a turn themselves deeply in the red this organisation had requested around in 1967, and might even this organisation had requested around in 1967, and might even this organisation had requested around in 1967, and might even this organisation had requested around in 1967, and might even this organisation had requested around in 1967, and might even this organisation had requested around in 1967, and might even this organisation had requested around in 1967, and might even this organisation had requested around in 1967, and might even this organisation had requested the show modest profits. Mr Dioony modes profits the industry would see a turn the form the situation in 1967, and might even this organisation had requested the show modes profits. Mr Dioony modes profits the industry would around in 1967, and might even the store around in 1967, and might even the store around in 1967, and might even

Surviving on the auction 'battlefield'

MORE than 50 years ago, once I had established by dairy farm so that it would run itself. I looked around for something else to occupy my mind which would earn me more than the meagre labourer's wage of these pre-war days. I had some spare land and could easily find more, and one could buy a lot of cattle for, quite literally, a few pounds. So I began buying a few young cattle, keeping them a while and then selling

This meant spending a fair time attending markets, gossiping with dealers and farmers, and learning what really made the world of livestock trading go round. It was an excellent training and taught me that the livestock auctions were far from being straightforward arenas where the market forces held the second training that they are stock. For some reason this is much more common in the where the market forces held the second training that they are stock. For some reason this is much more common in the where the market forces held the second training that they are stock auctions were far from the second training that they are stock auctions were far from the second training that they are stock auctions were far from the second training that they are stock auctions were far from the second training that they are stock. For some reason this is much more common in the sextra with the dealer. Auctioneers do not like this as they can miss out on commission.

Farmers justify these activities by claiming that they are stock. For some reason this is much more common in the sextra with the dealer. Auctioneers do not like this as they can miss out on commission.

Farmers justify these activities by claiming that they are stock. For some reason this is made in the sextra with the dealer. Auctioneers do not like this as they can miss out on commission.

Farmers justify these activities by claiming that they are stock auctions were far from stock. For some reason this is This meant spending 2 fair time attending markets, gossip-



being straightforward arenas much more common in the where the market forces held sway. They were, and still are, battlefields where buyers and sellers each used allies and all sorts of tricks to gain advantages over each other.

For instance, if you have a good cow and her calf for sale it is essential to show her as well as you can, with her udder nicely distended so that she looks like a good milker to the prospective buyer. There might be only one buyer for that animal on the market that day so you must put a reserve on feer a poor trade there could must put a reserve on feer a poor trade there could more common in the common in the whole chain more common in the over the last 50 years there has been a marked concentration of markets and it is now possibly do a "stand in," who is going to be has been a marked concentration of markets and it is now possibly do a "stand in," who is setting up a sign during among a sufficient number of buyers to control the big markets of today. There are also representatives of the markets of today. There are also representatives of the buyer. One hears rumours of they tend to remain independent of each other.

Since the war there has been a marked concentration of markets and it is now possibly do a "stand in," who is going to be has been a marked concentration of markets and it is now possibly do a "stand in," who is setting on market and it is now possibly do a "stand in," who is setting on markets and it is now possibly do a "stand in," who is setting to markets and it is now possibly do a "stand in," who is going to be that has been a marked concentration of markets and it is now possibly do a "stand in," who is going to be these bas been a marked concentration of markets and it is now is setting up a ning during a mong a sufficient number of the buyer. One hears rumours of they tend to remain independent of each other.

Since the war there has been a marked concentration on it is one in its into the way difficult to get a ring going among a sufficient number of the war

so you must put a reserve on fear a poor trade there could her and hope the auctioneer can run the price up. Buyers can often spot an auctioneer bidding and refuse to play, how-

ever, so it is much better to under the hammer and if they find a friend or two who will fetched more you would split put in "spontaneous" bids with the extra with the dealer. Auc-

that on the hook and that they are getting a better deal. It is possible, moreover, to withdraw an animal which has failed the live grading—once on the it is too late.

it is too late.

I never became what would be called a star turn in the livestock markets, I was more interested in building up my farm. But the few years I spent in the markets were absolutely invaluable for teaching me the basics of my busings. In farming these consists. ness. In farming these consist not only of practical husbandry and animal production but the whole operation from the channels of supply to satisfying

When I go to a sale these days it does not take me long to establish who is going to be the weak seller, who might just possibly do a "stand in," who

LONDON MARKETS

ALUMINIUM prices yesterday continued to defy the general gloom on the London Metal Exchange With thart patterns Exchange. With chart patterns still looking builtsh following last week's strong performance, further fresh buying appearing, and the US physical market reported tighter, the eash LME position moved up another \$23.50 to \$815 a tonne—the highest level since late October. Dealers said the apward pressure was angchases, ner alble tight by April of The nickel firm, built rally. The tonne while quetation had reache a tonne, traders as ducer-linke LME pr

ALUMINIUM

·	Unofficial + or sligh/Low £ per tonne	
Cash 3 months	814.5-5.5 +93.5 817/806 815-5.5 +14.33 815/804	
Official	closing /aml: Cash 807.7.5	

(751-2): three months 813-3-5 127-15); actilement 807.5 (782). Final Kerb Close: 813-4. Turnover: 25,000 tonnes.

COPPER

Grade A	ciose Unoffic't	+ or	High/Low
Cath 3 months	278,5-88,5 902,5-8	-8.5 -2.76	981/360,6 904,6/904
Official ci	losing (am): Ca	sh 890,5-1 5-3,5 (997-
(8/6.5-7); (3 8); settlem Close: 900.5	en: 361 (i	577}.	Final Kerb

nen mentha	883-5	-0.5	
64-6): 1 milioment	three monti	em): Cash 860-1 is 883-5 (877-8); i). US Producer ents per pound.	
otal turn	over: 21,875	tonges.	

EAD	
Unofficial + or close (p.m.) — £ per tonne	High/L

g per	tonne	P ''	
	-0.75	395 395	5/295 5/295
i); thre ; settle: • Close:	ment 2 295-6	ths 293.5 3. To	298,5-6 (291). (nover:
	192-5 196-6,5 closing 1); thre ; settler o Close	192-5 -0.75 195-6,5 -0.75 1); three more; settlement : 5 Close: 295-6	8 per tonne 192-5 — 0.75 995 196-6,6 — 395 196-6,6 — 395 1); three months ; seriement 293.5 close: 296-8. Tu nes, US 8pot: 24-27

١	· . •	4 per tonne	
	Cush 3 months	2389-90 +25,5 2432-6 +25	\$3.06/2586 \$440/2498
	(2360-6); t	hree months 2420-	Final Kerb
	ZINC		

High grade	close (p.m.) — £ per tonne	High/Low
Cash 3 months	470-1 -6 467,6-8 6,76	471,5:471 474:466
(472-2.5); (469-70); Final Ker 16,125 ton	closing (am): C three months settlement 471-b Close: 465-7. nas. US Prime W g per pound.	467.75-8.26 5 (472.5). Tumpver:

GOLD

	London bullion merket yesterday. It opened at \$405-405; and zouched a low of \$609_405. The metal was fixed \$406.45 in the morning and \$406.75 in
1	the atternoon. Gold rose to a pask of \$407-4075, and appeared to have a reasonably firm base of \$400, after recovering from a low of \$397 in New York on Friday. Dealers commented that investors and producers do not seen prepared to sell at less than \$400.
5	at present, which represents a psychological berrier to the market. GOLD BULLION (Time ournes) Feb. 2
i t	Opening \$4054.40714 (£2571,-26814) Opening \$405.454 (£25614,-267) Wright \$405.45 Aft'n'n fb: \$406.73 (£257,980)
	COURS DESCRIPTION OF A COURS

pening \$405.4051 ₂ fra'g fix \$405.45 fr'n'n fix \$406,75	(£267,980) (£267,980) (£267,987)
GOLD AND PLATIN	UNI COINS
un Eagle 3420.498 Repieles? 3418.43214 (rg*rnd 3407.410 2 Krug 3407.410 3104.106 406	(£3751 ₂ -2783 ₄) (£3741 ₄ -377) (£3674 ₅ -369) (£13674 ₆ -136) (£561 ₄ -603 ₄) (£2703 ₄ -2725 ₄) (£2854 ₄ -301 ₄) (£364-65) (£3143 ₄ -3473 ₄) (£3563 ₄ -5603 ₄)

Silver higher for bullion in US cant levels we	apot del anket ye aquivak	ivery in Recday mts of	at 354	1.3 Rx
ciosed st spened s spened s spened se spened se spened se spened se spened se spened se spened se spened se spened st	th 581.05 9.3c, do 5.95c, do t 362-363	c, down wa 12.5 wa 1.70 Pap (96	n 2.1c; 3c; and . The (0-552c)	TI O
srLVER per troy oz	Bullion Fixing Price	+or U	P.M.E. p.m. noffic't	ŧ

LME-Tymover: 0 (5) lots

SOYABEAN MEAL £

Sales: 80 (128) lots of 20 tonnes.

RUBBER

PHYSICALS—Closing prices (buyers): Spec 85.00p (same), Merch 64.22p (84.00p), April 64.25p (84.00p), Kusla Lumpur (ob prices (Malaysian cents a tilo): RSS No 1 — (229) and SMR — (206).

The second s

INDICES INITIAL MIXED buying in REUTERS gold futures saw the market penetrate overhead resistance

Jan 80 Han 29 Mith ago Year ego 1603.7 1607.7 — 1948.3 (Bese: September 16 1943) = 100) DOW JONES Dow | Jan. | Jan. | Mith | Year Jones 30 | 29 | ago | ago

Spot 115,01 115,31 - .180.85 Fut 116,22 116,17 - .188.93

(Bass: December 21 1931=100)

HAIR DOLCE CHANGES

v short-covering pur-	MAIN PRI	CE C	HAN	حدی
tuess being caused ptions declarations, urpish fall in LME	METALS	Feb. 9 1867	+ or	
stocks last week.	Aluminium Free Market Copper	\$ 1. 33 5.335	; 1	
ding on Friday's cash position rose	Gueh Grade A 3 miles Gold Troy oz	£902.75	+2.620	£939,7
elose at £2,286 a le the three months	S mths		1 4	
closed £26 up at a tenne. Earlier it ed a peak of £2.4%	Paladium oz Platinum oz Quicksilvert	\$530,00	+12.50	5478.7
helped by what	Silver troy oz	364,35p 374.05p	+1,80	363,51 373,10
ed buying, rices supplied by ited Metal Trading.	free Mict	837/45		1842.10
arres	3 mths	£467.75	1-8,75	£635.0

Unofficial + or slight.ow £ per tonne Hight.ow 814,5-5.5 +25.5 817/806 the 815-5.5 +14.25 815/804	Coornut Ohif) #440x 10 5410 10
lel closing (am): Cash 807-7.5	Barley Fut. May 2114.90 +0.10 £118.55
); three months 813-3.5 (791-	Male 2/63.80 -0.2£213.55
attlement 807.5 (792). Final Kerb	Wheat Fut. May £118.05 -0.2£213.55
813-4. Turnover: 25,000 tonnes.	No. 2 Hard Wint. 1

DILS

OFFER			Cooce Ft. May B1340.5 -11 E1439.5 Coffee Pt. Mar. E1651 -6.5 E1645.5		
	noffic't + or	High/Low	Gotton A Ind.* 55.15e +0.15 54.95e Gas Oil Mar. 5156 -4.5 2153.75 Rubber (kile) 65p		
	2,5-5 —3.5 2,5-5 —2.76		Sugar (raw) \$185y +1.5 \$145 Wooltope 64s 418p kile) +3 428p kile 1 Unquoted, + Per 75 (b flask, c Cents		
Micial closing (am); Cash 880.5-1 8.5-7); three months (\$2.5-3.5 (897- settlement 361 (677), Final Kerb ee: 900.5-1.4.		5-3.5 (897-	a gound. * Cotton outlook, x Jen-Fab. y Feb-Merch, v April.		
anderd h 80	9-60 4	860	COFFEE		

sible for th Burnham L better dun assady sho support to skanged.	e day's low ambert. Ac log a duli rt-covering	re, rep Uvity after provid	orts Drexs fared little noon with no enough
COFFEE	Yesterday close	+ or	Business Done

8apt	-	1696-1665 1696-1685
Sales: 1,756 (4,695) 1CO indicator prio pound) for January 1979 117.89 (115.47) 117.85 (117.78).	99 (US 30: C	cents per omp. daily

	Yesterday's	4 00	Susinee
COOCA	& per tonne	-	dens
Sept Dec		-11.0 -11.5 -10.0 -12.0 -10.0	1565-156 1560-156 1408-1597 1440-142 1445-148
Calesta 2	004 /2 400	Labor	ad 46

Indicator prices (SDRs Daily price for February (1519.99); flus-day average 2: 1649.09 (1558.29).

COTTON

LIVERPOOL—Spot and shipment asies for the week commenzing Jenuary 28 amounted to 368 tonnes against 1,674 tonnes in the previous week. Trading was slow with dealings in Turkish, Egypties, Israeli. American, Chinasa. Peruvien. Russian, Indian and East African growths.

GRAINS

Old crop wheet again ettracted profit-takers, with a late buying relly assety-ing values on the close. Barley firmed on a poor trade. New crops esset fractionally on speculative salling with good consumer demand greating the strives of the distant Merch position, teports T. G. Roddick.

WHEAT		BARLEY		
Math	Yest'ndy's ciose	+ 01	Yest'rdy's close	+01
Mar May	118,05 180,60	0,28 0,26	114.90	+ 0.16 + 0.10
Nov	102,85 105,60	-0.06 40.0 -0.10	103.00 105.75	+0.16 +0.16 +0.75
	108,35 ness done lay 118.10-			

n.ro, Mey 118.10-8.00. July 128.60-20.50, Sept 100.65, Nov 102.80, Jen 105.55-3.35, Mer 108.30-8.20, Sales: 161 lots of 100 tonnes. Barley: Mer 112.40-3.25, May and Sept untraded, Nov 103.00, Jan and Mar untraded, Sales: 20 lots of 100 tonnes.

May and Sept untraded, Nov 103.00, Jan and Mar untraded, Seise: 20 lots of 100 tonnos.

HGCA-Locatonal ex-farm apot prices. Feed beriey: E Mids 114.50, Scotland 114.80. The UK monetary co-efficient for the week beginning Monday February 8 (based on HGCA calculations using four days' exchange rates), is expected to change to 1.327.

LONDOW GRAINS—Whest US days bearing a pring no 1 15 per cent Mar 104.75. April/May 101.75. US no 2 soft rad without pring no 1 15. per cent Mar 119.12 per cent Jan 141.75. English feed fob Feb 121.00 seller. Mar 121.50/122.00. April/June 123.00/124.00 buyer/sellers. Mether 159 143.50. Beriey: English feed fob Feb 13.50. Beriey: English feed fob Feb 18.00. Mar 119.00 seller.

POTATOES

Futures opened £1.80 down following a wasker Dutch fix and an easier trand in the UK physical market (bag trade was generally described as unchanged to £5.00 down during the morning) but support at £154.00, evident at less week on the April position, again turned the market round to recover pearly all the losses by mid-morning in thin volume. The afternoon saw a drift in volume. The market is awaiting PMB information on mid-January stocks, reports Coley and Harper.

Yesterday's Previous Business close close done & per tonna

US MARKETS

commencing at \$411, basis April, writes Drexel Burnham Lambert. However, failure to follow through prompted commission house and trade selling, which, combined with general long liquidation, took values through the support at \$407-406, basis April. The other metals followed the gold but values were gold, but volumes were lighter than of late. Good trade selling in crude oil fatures in the face of scaledown commission house and local buying pushed prices local buying pushed prices back to the support commencing \$18.35, basis April. A report that ICO consumers were unwilling to abide by proposed coffee quotas, but will attend the forthcoming meeting of producers and consumers, prompted an initial sell-off in coffee futures but short-covering reversed but short-covering reversed the decline. Initial weakness in cocoa futures reflected European-based bedging but industry buying prompted short-covering as the market steaded back to the highs. In the face of trade scale-up selling cotton futures rallied with trade commission house buy. good commission house buy-ing as a technical reaction to last week's weakness developed. The absence of new export business led to easier wheat futures and firm pre-miums steadied maize. Com-

NEW YORK

COTTON 50,000 lb, cents/lb

CRUDE OIL (LIGHT) 42,000 US gallons, S/berrals

SUGAR

55.16 54.30 53.67 53.40 53.10 64.00

100 troy oz. \$/troy oz

FREIGHT FUTURES

762/768 647/650 761/765 770/775 795/805 680/696 730 800/820 861,6

Tumovar: 147 (242).

MEAT COMMISSION—Average Int-stock prices at representative markets. GB—Cattle 93.55p per kg lw (~0.63). GB—Sheep 189.91p per kg ast dow (~9.28). GB—Pigs 74.35p per kg lw (+1.08).

MEAT

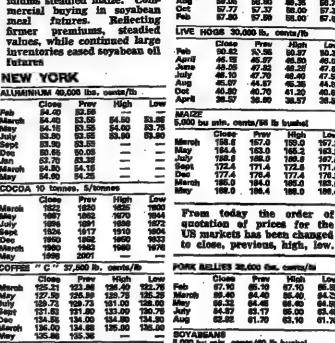
| Giose | High/Low | Prev.

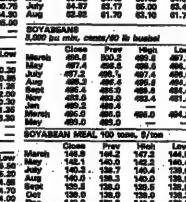
767/760 650/648 758/753 770

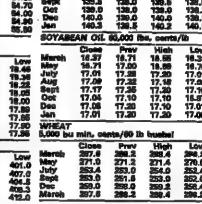
High 56.80 54.25 65.85 95.40 56.10 56.00

High 18.71 18.55 18.38 18.20 18.05 17.95 17.95 17.95

401.0 407.0 404.5 408.3 412.0







March May July Sept Dec March SPOT PRICES—Chicago Joane land 14.00 (same) Senta per pound. Handy and Harman silver buttlen 558.5 (551.5) centa per troy ounce.

attrances

shered 4-80 with the plainest difficult of sale. Ceylong same in for more enquiry than of late but atthough selective brokens and brighter lines were steady, plainer sorts again lost ground. Offenore test, met bettel demend but at lower rates. Quotations: quelity 1700 e kg (1700); medium 171c a kg (138p); low medium 82p a keg (38p).

OIL

Turnover: 48 (23) lots of 100 tonnes. In very thin trade March Brent sold at \$18.25 in the early afternoon but adged lower thereafter. Nymex WTI opened 7c down and traded 17c down at 1.30 pm EST. In the petroleum products marker gasoline firmed on continued UK buying interest. Other products were week, particularly naphths which dropped along with US futures and the appearance of improved prompt availability—Petroleum Argus, London. Sales: 3,110 (3,588) lots of 50 tonnes. Sales: 3,110 (3,588) lots of 50 tonnes. LONDON DAILY PRICE—Raw augur \$185.00 (1272.00). up \$1.50 (up \$2.00) a tonne for February-March delivery. White sugar \$208.50. up \$2.00. Tata & Lyle delivery price for granulated basis sugar was \$228.00 (\$225.00) a tonne for apport. International Sugar Agreement—(US cents per pound fob and stowed Carlibbean puras.) Prices for January 30: Daily price 7.27 (7.53); 18-day average 8.81 (6.73).

PARIS—(Ffr per tonne): Mar 1235/1245. May 1282/1255. Aug 1290/1294, Oct 1310/1325, Dec 1345/1365. Mar 1250/1400.

Latest + or PRODUCTS North West Europe Prompt delivery cif (\$ per tonne)

March Petroleum Argue estimates

GAS U	IL FUT	URE	5	
Month	Yastrdy's Glose	+ or	Busine Done	
	DOF SCOTTA			
Feb	156,25	+5.58	165,6 0-56 162,00-56	

153,50 | +4,58152,69-58,9 149,00 | +3,76154,50-48,8 149,50 | +3,68 | --Turnover: 2,423 (3,412) lots of 100

HEAVY FUEL OIL US 8

There were 39,870 packages on offer at the London tea auction, including 7,800 packages in the offshore atcition, reports the lea Brokers' Association, reports the lea Brokers' Association. The market remained weak. A few coloury Assoms, together with selected medium PDs, held values but others were 4-5p easier and there were some withdrawels. Bengindesh tase were again neglected and toot 5-5p where sold. Brighter African CTCs met improved competition and ruled firm to occasionally dears, while mediums received fair support, though prices were 3-5p secier. Central Africans

Apg 87

CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound disappoint

THE DOLLAR retreated in nervous trading on the foreign exchanges. There was evidence that dealers were happy to take quick profits against the US trade figures. The US trade figures are the US trade figures. The US trade figures. The US trade figures. The US trade figures. The US were happy to take quick profits after Friday's sharp rise on better than expected US trade figures. The warning by Mr James Baker. US Treasury Secretary, not to place too much faith on month-to-month figures weighed on the dollar, and dealers where the profits of the profits of the same profits of the pr dealers also noted that Mr Paul Volcker, chairman of the US Federal Reserve Board, failed to state explicitly that the dollar has failen far enough in his testimony before

Congress yesterday.

The dollar fell to DM 1.8075 from DM 1.8320; to FFr 6.0275 from FFr Federal Reserve support the dollar. Mr Volcker's comment about the inflationary problem caused by the weaker dollar had less 6.1075; to SFr 1.5250 from SFr 1.5440; and to Y152.55 from Y153.55. On Bank of England figures the impact than Mr Baker's remark that one month's improvement in dollar's index fell to 103.8 from 104.3.

dollar's index fell to 103.8 from 104.3.

STERLING—Trading
range
sgainst the dollar in 1986-87 is 1.5555
to 1.3700. January average 1.5071.

Exchange rate index fell 0.1 to 68.4,
compared with 71.7 six months ago.

Sterling improved against the dollar, but weakened against Continental currencies, as dealers expressed
some disagnosimment at the pound's some disappointment at the pound's failure to benefit more from the rise in oil prices in recent months, and reasonably encouraging economic news. Sterling rose 1.05 cents to \$1.5235.15245, while declining to DM 2.7550 from DM 2.7725; to FFr 9.1850

1000年の日本

LE 80:500 E 80

5 70.00 5.30

- Control of the Cont

today this is

L182 38 000 ts an;

NS FF certs Dibas

* 25 K 20 2 Z

Charles for Pa

1 gazz - 15.

CIL FÜÜĞ

AVY FUEL

from FFr 9.2450; and to SFr 2.3250 from SFr 2.3375. The pound was unchanged at Y232.50. D-MARK—Trading range against the dellar in 1986-87 is 2.4710 to 1.7870. January average 1.8568. Exchange rate index 148.8 against

138.3 six menths age.

The D-Mark weakened against the dollar as traders took profits

E IN NE	W YORK	
Fab 2	Laters	Previous Close
Sect	1.5230-1.5240 0.60.0.57 pm 1.78-1.74 pm 6.20-6.10 pm	1.5135-1.5145 0.58-0.56 pm 1.83-1.80 pm 6.27-6.17 pm
Forward pres U.S. dollar.	alums and discon	ence apply to the
TERLIN	g INDEX	

STER	ING IND	EX.	
		Feb. 2	Previous
8.30 9.00 10.00 11.00 Noon 1.00 2.00 3.00 4.00	200 200 200 200 200 200 200	68.5 68.4 68.5 68.5 68.5 68.4 68.4 68.4	68.6 68.8 68.5 68.5 68.5 68.5 68.7 68.4 68.5
CURRI	NCY RA	res	

Feb. 2	196	Drawing Regists	Corre
Sterling	_	0.83281	0.7470
U.S. Dorlar	5.5	1.2540	1,132
Canadian \$	6.20		1,511
Austrian Sch	4	16.1597	14.50
Belgian Franc	812	47,5943	42,64
Danish Krone	7	8.6992	7.803
Dourtsche Mark	30.	2.2981	2.060

Sterling	_	0.83283	0.747043
	5.5	1.2540	1.13289
	6.20		1.51128
Austrian Sch	4	16.2597	14,5078
Belgian Franc	Ďl _o	47.5943	42.6420
Danish Krone	7	8,6992	7.80335
Deutsche Mark	30	2,2981	2.06016
	44	N/A	2.32503
Neth Guilder			A.86985
French Frace	912	7.5697	
ب واللا العالق)	12	N/A	1466-61
Jupanese Yen	3.0	194.14	173.445
Norway Krope	B'_	N/A	7.95232
Soneth Person	_	7 MA.	146.143
Smedish Krasa	712	·· WA	7.37908
Saiss Franc.	3.3	14/A:	1.73695
Greek Drack.	2012	148.339	150822
		. N/A	0.774096
Irish Pont		. 1810	Or I LAG IN
FCS/SOR rate f	and James	10- 1 A0705	
TUBBUR IBR I	OL Seni	. 20, 201103	

CURRENCY MOVEMENTS

February 2	Sank of England index	Morgae Guarantir Changes %
Sterling U.S. Dollar U.S. Dollar Austrian Sofilling Bangles Franc Zanish Krove Daussche Mark Swiss Franc Guilder Freeck Franc Life Ven	68.4 103.8 78.3 139.7 100.9 94.0 148.5 171.7 136.0 72.4 48.6 209.8	-25.8 -3.5 -10.4 +10.2 -3.3 +4.8 +21.8 +21.8 +15.4 -12.0 +57.0

morgan Guaranty changes: Average 1980-1982-100. Sank of England Index (Base average 1975-100):

TALS-YOUR		
ATUED	CURRENCII	FQ
UINER	COVINEDOR	
Feb. 2	2	\$
Argentina	2.0145-2.0220	1.3280-1.3320
Australia	2.2910-2.2940	1.5220-2.5320
Brazil	24.96-25.10	16.45-16.54
Finland	6.9110-b.9220	4.5560-4.5580
Greece	200.45-204.00	132.05-134.30
Hong Kong	11.7815-11.7965	7.7725-7.7745
LYZEN	111.45*	72.35
Kores (Sth)	1291.95-1305.65	853.70-860.70
Kerwalt	0.42000-0.42080	0.27700-0:27730
Luxenthourt	57.00-57.10	37.40-37.50
Malaysia	3.8405-3.8510	2.5350-2.5400
la, Zealand	2.7940-2.8015	1.8125-1.8460
Saudi Ar	5.6860-5,6915	3.7495-3.7505
Eingapore	3.2390-3.2445	2.1355-2.1375
3. Af. (Cm)	31230-3.1300	2,0595-2,0640
E AS ID-1	4 H44/LA 977/1	4.3954-4.5975

MONEY MARKETS

London rates ease

known today and successful appli-

easier in the London money market yesterday. Trading was fairly relaxed with sterling showing a steady tendency and the market facing only a modest shortage.

Three-month interbank money was cent, £2m in band 3 at 10½ per cent, £2m in band 2 at 10½ per cent, £2m in band 3 at 10½ per cent, £2m in band 2 at 10½ per cent, £2m in band 3 at 10½ quoted at 11 1-10 per cent comcent, and £31m in band 4 at 1011 pared with 11%-11 per cent on Friper cent. Total help came to day. Overnight money traded £149m. between a high of 11 per cent and a linguistry the Bundeshank In Frankfort the Bundesbank low of 91/2 per cent announced its intention to offer funds to the money market through a 28-day sale and repurchase agreement. This will carry a fixed rate of 3.8 per cent. UK clearing bank base

lending rate 11 per cent since October 15

The Bank of England forecast a cauts will be credited tomorrow, shortage of around £250m with fac-tors affecting the market including maturing assistance and a take up of Treasury bills together draining 5584m and the unwinding of previous sales and repurchase agreements a further £272m. In addition banks brought forward balances on Friday and call money fell as low as 3 per cent account of the control of t \$30m below target. These were low as 3 per cent as a result, Cali partly offset by Exchequer transactions which added £340m.

The forecast was revised to a that this might be nearer the sort shortage of around £300m and the Bank gave assistance in the mor-Bank gave assistance in the morning of £14m through outright upward pressure later this month purchases of £2 of eligible bank as commercial banks have to meet end of month minimum reserve requirements some DM 5bn higher than in January following.

Another revision took the fore-

cast to a shortage of around £150m Bundesbank.

ing for further guidance on the US
economy from today's figures on
leading indicators. It was suggested in Frankfurt that the rise
in December leading indicators ish of Y152.30. Dealers were relucted. would be little changed from November's 1.2 per cent. There tant to take out positions ahead of the US Treasury auctions, waiting was some nervousness ahead of this week's US Treasury auctions. to see how Japanese investors react following the rise of the dolon fear that Japan might withhold demand for US Government paper, in an attempt to make the lar, and last week's warning by Mr Satoshi Sumita, Bank of Japan Governor, about the flow of capi-tal to the US if the dollar con-

tinued to weaken.

ZAMBIA KWACHA—The kwacha has been revalued against the dollar, following the announcement that the auction system would no longer be used to determine the official parity. According to a report from Lusaka, the Bank of Zambis was quoting the kwacha at 8.9550-9.1850 per dollar with commercial banks, compared with 14.92 kwacha at the last foreign JAPANESE YEN—Trading range against the dollar in 1986-87 is 202.70 to 151.30. January average 154.62. Exchange rate index 200.8, compared with 219.1 six months exchange auction on January 24.
Commercial banks are allowed a margin of up to 2 per cent of the official rate in dealings with the public.

the trade deficit did not neces-sarily mean a downtrend. The Bundesbank did not intervene

when the dollar was fixed at DM L8182, compared with DM 1.8085.

	. Equ central rates	Gurrency amounts sgainst Ecu February 2	% change .[rom eentral rate	⁶ % change adjusted for divergence	Divergence limit %
sh Krone nan D-Maris ch Franc h Guilder an Lira	42.4582	62 6420	+0.43	+0.43	# 1.5344
	7.85212	7.80335	-0.62	-0.62	# 1.6404
	2.05853	2.06016	+0.08	+0.08	# 1.0981
	6.90403	6 86985	-0.50	-0.50	# 1.3674
	2.31943	2.32503	+0.24	+0.24	# 1.5012
	0.768411	0.774096	+0.74	+0.74	# 1.6684
	1483.58	1466.81	-1.13	-1.13	# 4.0752

Ghanges are for Ecu, therefore positive change denotes a weak currency

Feb. 2	Spread Day's	Clase	One menth	% p.a.	Tieres montis	P.S.
S	1.5120-1.5245	1.5235-1.5245	0.57-0.34c pm	4.37	1.77-1.72 per	4.56
mada	2.0203-2.00	2.0320-2.0330	0.57-0.47 ¢ pm	3.07	1.76-1.61 am	3.32
vetir Lands	3.104-3.114	3,104-3.114		4,83	4% a pm	3 39
elgium	56.96-57.23	57.00-57.10			45-35 pm	2,84
enarark	10.424-10.474	10.46-10.47	1300 4 are dis	0.72	3-11 _{8 per}	0.79
eland	1,0325-1,0425	1.0360-1.0370			Q.65-0.95 tils	-3.09
Germany .	2.75-2.7612	2.75-2.76			44-412 000	6.72
Light	213.29-216.84	213.85-214.75	107-263c dis	-10.36	276-511 da	-7.34
ــــــــــــ وتو	195.19-196.34	195.80-196.10	21-51 c dia	-2.20	64-104 ds	-1.71
dy	195912-196912	1961-1962	2pm-1 ine die	-0.30	44-14 200	0.57
WW.		10474-10684	lario ore dis	-3.35	1-11-edis	-0.37
24CF	9.18-9.21%	9,18-9,19	2-1 \c pm	2.12	514-4 pm	2.01
redea	9.8512-9 901	9.894-9.904	la pm-la are als		21-4 (00)	0.58
52/)	2311-233			6.13	41 ₀ -31 ₀ pm	6,77
etria	19,39-19,59	19.45-19 48			284-264	5.60
itzerland "	2.314-2.33	2,32-2,33	112-110 c per		44-4 pm	7.53

c par. 12-mor	Mil 6-21-6-11c but	l,				
DOLLAR	SPOT-FO	RWARD /	AGAINST TI	HE D	DLLAR	
Feb. 2	Day's spread	Close	One month	9s p.a.	Tiree months	% p.e.
UKY	1,3520-1,3340 2,0350-2,0400 37,40,57,75 6,834-6,91\chi 1,8040-1,8255 141-141\chi 128,25-129,33 1286\chi 1296	1.4710-1.4720 1.3325-1.3325 2.0390-2.0400 37.40-37.50 6.8612-6.87 1.8070-1.8080 141-1.411 ₂ 128-3-128-40 7.001-7.014 4.0234-6.03	62-72 c dis 31c-41c time dis 4.25-4.95 cm dis	8.20 -1.30 0.56 -1.91 -3.92 1.91 -15.00 -6.23 -7.87 -2.38 -4.43	3.10-2.75 pm 0.40-0.45 dis 0.44-0.37 mm 15-19 dis 6.30-7.20 dis 0.95-0.90 pm 350-500 dis 195-210 dis 124-144 dis 124-144 dis 14.40-19.10dis	-1.27 0.79 -1.81 -3.92 2.04 -12.14 -6.28 -4.17 -9.41 -2.57 -4.24
Aixiria	12.7512-12.8412	12.76-12.764 1.5245-1.5255	1.50-1.10gro per 0.34-0.29c per	1.22	3.50-2.50 pm 1.02-0.97 pm	0.94

URO-CUR	RENCY	INTERES	T RATES	3		
0. 2	\$hort term	7 Days' notice	Gree Month	Three Months	Six Months	Qne Year
sring	104-1074 64-64 77-774 94-52 24-54 4-44 84-89 9-12 77-89 441-45 104-114 5-52	164-11 61-64 71-74 51-57 24-57 24-57 11-41 81-81 94-11 89 42-41 NA	11-11-6 6-4-6-1 7-4-7-8 5-3-9-1 5-3-9-3 5-3-9-3 5-4-8-4 10-10-10-7 7-5-8-6 8-4-8-4 41-4-1 11-11-11-3 3-4-3-4	11-11 & 6.6 % & 6.6 % & 6.6 % & 6.7 % & 6.4 %	107-11 64-54 74-74 54-54 32-34 44-44 67-9 104-104 7/2-7/3 77-84 4-44 103-107 34-34	10 -10 2 6.4-6.1 7.2-7.12 5.2-5.3 31 -3 2 42-44 83-63 10 -10 -10 -10 -10 -10 -10 -10

Long-term Eurodollars: Two years 6/2-6/2 per cent; three years 6/2-7/2 per cent; five years 7/2-7/2 per cent; five years 7/2-7/2 per tent, nominal. Short-term rates are call for US Dollars an

EXCHA	•	•								
Feb. 2	£	5	DM	YEN	F Fr.	3 Fr.	H FL	Line	C \$	S Fr.
£	1.	1.524	2.755	232.5	9.185	2.325	3.208	1962.	2.033	57.05
	0.656	1	1.808	152.6	6.028	1.525	2.040	1287.	1.334	37.45
DM YEN	0.363 4.301	0.553 6.555	11.85	84.39 1000.	3.334 39.51	0.844	1.128	712.0 8437.	0.738 8.742	20.71 245.4
f fr.	1.089	1.659	2.999	253.1	10.	2.531	3.383	2136.	2.213	62.11
S Fr.	0.430	0.655	1.185	100.0	3.991	1	1.337	843.7	0.874	24.54
H FL	0.322	0.490	0.887	74.82	2.956	0.748	1.	631.2	0.654	18.36
Life	0.510	0.777	1.405	118.5	4.683	1.185	1.564	1000.	1.036	29.08
C S	0.492	0.750	1.355	114.A	4.519	1.144	1.529	965.1	1	28 07
B Fr.	1.753	2.671	4.829	407.5	16.10	4.075	5.447	3438.	3.563	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

CLLOD a.m., Feb. 2) 3 months U.S. dollars 6 months U.S. doll	ars
bid 6 3 Offer 6 1 that 6 3	Offer 6 &

(Lunchtime) Prine rate Broker loan rate Fed. Iwati Fed. fands at intervention	74: The 74: Sia 5% One	pest	5 5	.41 Three; .66 Foury .78 Five ye .86 Seven; .94 10 yea .36 20 yea	6.68 6.75 7.04 7.23	
Feb. 2	Overnight	(Ine Morsik	Two Months	Three Months	Shr Months	Lombard Intervention
Section Sect		3,70-3.65 84-811 34-33-5 54-54 429125 11-5-124 711-84 144-145	3.85-4.00 8/5-8/3 — — — — — — — — — — — — — — — —	3.90-4.10 81 ₂ -85 ₄ 3.4-3.4 54-5-4 4.34375 11-11-7 75-7-7 14-145 ₄	400-420 8½-8% — — — — — — — — — ——————————————————	5.0 0
Feb. 2	Over- night	7 days souce	Monta	Three Manues	Sta Months	Gne Year
Interbank Stering CDs. Local Authority Deposits Local Authority Bonds Discount Market Deposits Company Deposits Finance House Deposits Treasury Bills (Bay) Rank Bills (Bay)	107-101, 101-9	11-107, 11-107, 104, 111,	114-11 11-102 114-11 114-114 114-114 114-114 1012	1115-11 1115 105	10]2-10]2 10]2-10]2 11-10% 11-4 	103-104 103-103 103 114 114 103 103

Treasury Bits (sell); one-month 10% per cent; three-months 10% per cent; Bank Bills Isell); one-month 10% per cent; three months 10% per cent. 10,5618 p.c. ECGD Fixed Finance Scheme IV reference date January 1 to 30 (inclusive)· 11,098 per cent. Local Authority and Finance Houses seven days' notice, others seven days' invected Houses Base Rate 11½ per cent from February 1, 1987; Bank Deposit Rates for some at seven days' notice 4 35-4-375 per cent. Certificates of Tax Deposit (Series 6): Deposit E0,0000 and over held under one month 10½ per cent; one-three months 10½ per cent; three-life months 10

FINANCIAL FUTURES

Gilts and bonds nervous

contraction in the figure and this
also tended to leave the market locking direction. With the prospects of an early meeting of the G5 finance before dollar fears once again

LIFFE LONG GILT FUTURES OPTIONS

er &1)

Colls—Last

Mar. Apr. Jar

21.72 — 21.

2 16.72 — 16.

/2 11.72 11.72 17

72 6.72 6.72 6.72

1.71 0.6a 0.75

0.00 0.17 0.15

solume total, Calls 22/

say's open inst. Colls 1,7

LONDON

10% NOTIONAL SHORT CILT (200,000 64ths of 100%

Close High March 98-56 98-60 Estreated Volume 10 (0) Previous day's come 1-1

day's open int 111 (211)

Clore High Low 1 98-31 99-13 98-24 98-05 98-15 98-15 stad Volume 4,081 (8,166) us day's open int. 4,867 (4,187)

CURRENCY FUTURES POUND-S (FOREIGN EXCHANGE) Spot 1-mth. 3-mth. 6-mth. 12-mth. 1.5240 1.5185 1.5066 1.4920 1.4624

MM-STERLING IN PURE

LIFFE-STERLING £25,000 S per &

THREE-MONTH EURODOLLAR

21.72 16.72 11.72 7.33 4.08 2.72 1.48 Parts 90 Frb 0.00 0.00 0.07 0.63 4.74 8.53

1,40 6,40 11,40 6,70 3,70 1,85 0,73

Prev. 89.17 89.61 89.61 89.63 89.73

Mar. 0.00 0.05 0.45 1.85 4.96 9.27

0.10 0.40 1.75 4.70 8.70

0.35 1.05 2.80 5.80 9.75

CHICAGO

U.S. TREASURY BILLS (IMM) 51m points of 100%

SWISS FRANC (IMM) SFr125,000 S per SFr

SENTIMENT WAS influenced by dollar uncertainty in the London International Financial Futures Exchange yesterday. The US unit falled to capitalise on Friday's sharp rise, following better than expected Treasury Secretary, enabled seltrade figures and three-month Euro-lers to gain the upper hand and dollar and U.S Treasury bond prices reflected market disapolutment before closing at 93.70 down from Some dealers had expected a sharp 93.79 on Friday.

ministers slowly receding and continued evidence of the lack of common ground between the US and its mon gro March Euro-dollars opened at price reached a low of 98-24 after

LIFFE US TREASURY BOND FUTURES OPTIONS LIFFE FT-SE 100 INDEX FUTURES OPTIONS

ot Puts-Law
were Mar. June
8.25 0.00 0.15
6.41 0.00 0.31
5.03 0.04 0.57
3.44 0.19 1.34
2.36 0.43 2.25
1.38 1.39 3.28
1.04 3.11 4.58
0.40 5.03 6.30
0.40 5.03 6.30
0.40 5.03 Futs 165
0.36 1,087 Puts 566

seen over the past two weeks. There was little news to give the market any encouragement. Sterling remained on the sidelines, showing a small decline over the weekend. The March gilt price opened at 114-22 and traded in a 114-21-27 range for much of the morning With sentiment failing to improve during the afternoon, values were marked down, so that a low of 114-19 was touched before the contract closed at 114-26, little

Jame 13.90 11.70 7.00 4.00 2.00 0.90 1.90 PHS 542

Mar. 0.00 0.01 0.04 0.14 0.33 0.55 0.80 1,112

0.5576 0.5538

93.48 93.75 93.74 93.42 93.42 93.18 92.92 92.69

11.70 6.70 3.20 1.30 0.50

99-22 98-25 97-26 97-00 96-04 95-09 94-15 93-23

Low 94.46 94.56 94.58 94.50

6.50 2.70 1.30 0.35 0.50 0.95 1.80 3.20 2277 - 3767 - -23 269 105 79 6 156 125 22 155 65 11111111111 107-6520 1.90 0.90 2.50 5.40 13.90 2.20 = = = = FL101.90 F1.85.90 F1.237 3.10 15 9.50 F1.361.80 2.50A FI.37.60 3.50 611 676 291 73 97 137 106 4 13 F1.44 F1.213.60 FI.502.50 TOTAL VOLUME IN CONTRACTS: For 2/2/87 24,517 8 - Bid C = Call

-50%B&&&D2

354 10

BASE LENDING RATES Афия & Сотоло Cypnel Popular Bk Duncan Lawrie
E. T. Trust.....
Equator'i Tsi C'p pic Association Care Core 11 Authority & Co Ltd. Royal Bk of Scotland.... Exeter Trust Ltd. 11/ Financial & Gen. Sec. 11 Royal Trest Bank _____ Standard Charlered ____ Bank Leuroi (UIO First Nat. Fly. Corp. 1115 Basik Credii & Comm First Nat. Sec. Ltd ... Robert Fleming & Co ... Bank of India
Bank of India
Bangoe Beige Lid
Bankleys Bank
Benchmark Tot Led Limited Mizrahi Saniu. Westpac B'oking Corp Winterway Lardige Vorlightre Bank HFC Trust & Savings. Tonsaire smil.

• Members of the Accepting Houses Committee. "7-day deposits 6.69%. I-month 7.03%. Ton Ther—£2,500+ et 3 monthy notice 10.03%. At call when £10,000+ remains deposited. \$ Call deposits 21,000 and over \$6\% serses. \$ Morroage base vis. \$ Demand deposit 6.69%. Morroage 12%%. Seneficial Trust Ltd..... Berimer Bank AG....... Brit, Bk. of Mid. East.... Hentable & Gen. Tst... Hill Samuel
C. Houre & Co ... Hongkong & Shangh' Lloyds Back Mase Westpac Ltd. Meghraj & Sons Ltd..... Micland Bank

The table below gives the latest available rate of exchange for the pound against various currencies on February 2, 1987. In some cases rate is nominal, Market rates are the average of tuying and selling rates except there they are shown to be otherwise. In some cases market rates have been calculated

Abbreviations: (A) approximate rate, no direct quotetion available; (F) free rate; (P) based on U.S. dollar parities and going starling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) basicars' rate; (cm) commercial rate; (ch) convertible rate; (fp) financial rate; (exC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (o) official rate; (sg) pelling rate; (c) controlled rate.

COUNTRY	CURRENCY	E STEHLING	COUNTRY	CURRENCY	VALUE OF E STERLING	COUNTRY	CURRENCY	VALUE OF E STERLING
Afghanistan	Afghani	99.20	Ghana	Cedi	233.85	Panama	Balbao	1.5240
Albania	Lek	9.91		Gibrahar C	1.0		Kina	1.4365
Algeria	Dihar	7.02	Greece	Drachma Denish Krone	202.225 10.4650	Рагадиау	Guarani	(364.17 1020.45
Andorra	French Franc	9.1850	Grenada	E. Caribbean S	4.09	}		(exc(a)21.63
1	1 Spanish Peseta	195.95	Guadaloupe	Local Franc	9.1850	Peru	Inti	(F) 30.37
Angola	Kwanza	46.367	Guara	U.S. S	1.5240	1	1115	(Fn) 27.04
Arrigua	E. Caribbeen \$ Australi	4.09 2.0183			13.5240	Philippines	Philippine Peso	30.36
Aruba	Florin	2.7432	Gyatemaia	Quetzai	(F) 4.0893	Discolon Islands	(E likering	
Augralia	Australian S	2.2925	Chines	Frenc	515.61	Pitcaira Islands	New Zealand \$	2.7978
Austria	Schilling	19,465	Guinea-Bissau	Pesa	258.53	Poland	Zioty	366.69(16)
Ajores	Portuguese Escudo	214.30	Guyana	Guyanese S	6.053	Portugal	Escudo	214.30
			Hald	Course	7.62	Poerte Rico	UIS. Ş Datari Rval	1.5240 5.5230
Bisharrial	Settema 5	1.5240	Hondurats	Lempira	3.0348	QatarReunion Isla da la	French Franc	9,1850
Balearic Islands	Dinar Spanish Peseta	0.5720 195.95	Hong Kong	H.K. \$	11.7890			(cm 6.23
Bangladesh	apanian reseas Toka	45.76	Humgary	Forunt	67.5122	Romania	Leu	(N/C) 15.32
Barbados	Barbados S	3.0652	Iteland	iselandis Krama	59.692	Rwanda	Rwanda Franc	124.39
Belglum		(cm) 57.05	India	Indian Rupee	19.64	St. Christopher	E. Caribbean \$	4.09
	Belgian Franc	l(fn) 58.15	Indonesia	Repiah Rial	2478.64 111.45	St. Helena	St. Helena C	1.0
Belize	B \$	3.0480	16au	trani Dinar	0.4693		E Carlbbean \$	4.09
Bermoda	C.F.A. Franc	459.25	Inch Republic	Putt	1.0470	St. Pierre	Local Frant 6. Caribbean S	9.1850 4.09
	Ветинап \$	1.5240	(trae)	Shekel	2.4360	Sampa American	U.S. 5	1.5240
Bollyla	Ngultrum Bolivian Peto	19.64 (p)2,8 99,548.0	fraq	Lira	1961.50	San Marino	Stalian Link	1961.50
Bosswaria	Pula	2.59	Ivory Coast	C.F.A. France	459.25	I San Tamia & Princina	Dobra	53.588
Brazil	Crozado	25.03	Jamaica	Jamakan Dollar	B.1901	Saudi Arabia	Saudi Ryal	5.6888
Beltish Virgin Islands	U.S. S	1.5240	Japan	Yen	232.50	Seregal	C.F.A. Franc	459.25
Brunei	Brunet \$	3.2418	Jordan	Jordanian Dinar	0.5120	Seychelles	S. Rupes	B.39
سسموروسده، قاتدوانها	Lev	1.2967	Kampuchéa Kenya Kiribati	Riel	N/A	Sierra Lebae	Leone Singapore S	(a) 43.0645 3.2418
Burking Faso	C.F.A. Franc	459.25	Kenya	Kenya Shilling	24.30	Singapore	Soloman Is. S	3.0324
Burindi	Kyat Bunundi Franc	10.2356 180.577	Kirlbati	Australian \$	2.2925	Somali Republic	Somali Shifting	167.64
	Outgood Frank	900	Korea (North)	Won	1.4326	South Africa		/(Cm13.1265
Carrardon	C.F.A. Franc	459.25	Korea (South)	Won Kwaiti Dinar	1298.80			(Fn) 6.8190
Canada	Caradian \$	2.0325	Kywit			Spain	Peseta	195.95
Canary Islands	Spanish Peseta	195.95	Labanon	New Kip	53.34	Spanish ports in North Africa	Peseta	195.95
Cape Verde Islands	Cape V. Escudo Cayman Isles \$	136.05 1,2725	Lebanon	Lebanese &	135.3475	Sri Lanka	S.L. Rupes	43.10
Cayman Islands	C F.A. Franc	459.25	Lesotho	Maluti Liberian S	3.1265 1.5240	Sri Lanka Sudan Republic	Sudan E	3.81
Chad	C.F.A. Franc	459.25	Liberia	Librar Dinar	0.4556	Surinam	S. Guilder	z.7203
Chad	Chilean Peso	308.73	Libya	Swiss Franc	2.3250	Swaziland	Lilangeni	3.1265
China	Renminbi Yunn	5.6353	Lavemposta	Luxembourg Franc	57.05	Sweden	Swedish Krona Swiss Franc	9.8975 2.3250
Colombia	Coi. Peso	340.65	Manage	Patace	12,2355			(A) (T) 9.0
Cornero Islands	C.F.A. Franc	459.25 459.25	Macan	Portuguese Escirdo	214.30	Syria	Syrian £	(cm) 5.9817
Congo (Brazzaville)	C.F.A. Franc	434.23 90.91	Malagasy Republic	M.G. Franc	1008.65	Talwaq Tanzania Thailand	New Taiwan S	54.125
Cube	Colon Cuban Peso	1.2076	Malawi	Kwacha	2.8290	Tanzania	Tan. Shilling	80.60
Cyprus	Cypres £	0.7350	Malawi	Rinocit	3.8458	Thailand	Baht.	38.93
1	-44-44 -	((com) 8.20	Malaysia	Ruflyra	10.6680	Togo Republic	C.F.A. Franc	459.25
Czechoslowatcią processor	Korusa	nc 14.28	Mail Republic	C.F.A. Franc	459.25	Tonga Islands	Palanga	2.2925
		(T) 13.91	Maita	Maltese £	0.5278	Trinidad & Tobago	Trinking & Tob. 5	5.4864
Dermark	Danish Krocer	10.4650	Martinique	Lotal Frant	9.1850	Turkey	Tunisian Dinar	1.2266 (59)
Djibouti Republic of	Dilbouti Franc	265.0	Mauritania	Outpulya	113.43	Turkey	Turkish Lara	1148.00
Dominica	E. Caribbean \$	4.09	Materities	Mauritian Rupee	18.7312 (F) 1487.75	Turks & Carcos Islands	U.S. S Australian S	1.5240 2.2925
Dominican Republic	Dominican Peso	4.6253 (7)	Mexico	Mexican Peso	(c) 1487.75	Tuvalu Uganda	Uganda Shilling	1971.710
]			Miguelon	Local Franc	9.1850	United States	U.S. S	1.5240
Ecuador	Sucre	(G) 222,29	Moneo	French Franc	9 1850	Игидиау	Uruguay Peso	281.47
	-242	(F) 221.84	Monodia	Tugrik	5.1138	United Arab Envirages	U.A.E. Dirbam	5.5720
Egypt	Egyptian £	(1.0668 (2.10	Monaco	E. Carribbean \$	4.09	USSR	Rouble	0 9906
El Calumdon	Colon	7.5870	Morocco	Dirham	12.55 (sg)	Man. sau	Vatu	166.895
El Salvador Equatorial Guinea	C,F.A. Franc	459.25	Mozambique	Metical	(A) 59.01	Varuatu	Italian Lira	1961.50
Ethiopia manuamman	Ethiopian Birr	313	Namibla		3.1265	* * * * * * * * * * * * * * * * * * *	. Combs. File	((4) 6.55
			Naum Idants	Almiralian S	2.2925	Venezuela	Bohvar	(5) 11.43
Falkland Islands	FallJand Isles C	1.0	Negal	Negalese Rupes	32.45	***************************************		(6) 35.15
Parce Islands	Danish Kroner	10.4650	Nepal	Guider	3.1075	Vietnem	Done	(o) 121.32
Pripi Islands	Fiji S	1.7082	Netherland Antilles	Anulijan Gulider	2.7432	Virgin Islands U.S.	U.S. S	1.5240
Faroe Islands Fili Islands Finland France	Markka	6.9165	New Zealand	N.Z. S	2.7978	Western Samoa		(A) 3.42
French C'ty in Africa	Franc C.F.A. Franc	9.1850 459.25	Nicaragua		(ta) 106-21			
French Guiana	Local Franc	9.1850			(F) 3338.28	Yemen (North)	Ryal	(A) 15.55 (tg)
French Pacific Islands .	CED Franc	165.00	Niger Republic,		459.25	Yemen (South)	S. Yemen Dinar	0.5202
			Rigeria		(o) 5.8717	Yugoslavia	New Y. Dinar	674.79
Gabon	C,F.A. Franc	459.25	Morway	korwegian Krone	10.6825	Zaire Republic	Zaire	124.78
Gambia	Datasi	11.00	Oman Sultanate of	Rial Omani	0.5840	Zambia	Kwacha	13.78(17)
Germany (East) Germany (West)	Ostmark Double March	2.7550 2.7550	Pakistan	Pakistan Rupee	25,89	Zimbabwe	Zimbabwe S	2.4975
1 Security (44-20	PROTICILE MALE	الار ال						

‡Rate is the transfer market (controlled). ‡ Now one official rate. (1) Essential goods. (2) Preferential rate for priority imports such as loadstuffs. (4) Preferential rate for Public Sector Debt and Essential Imports. (5) Preferential rate. (6) Free rate for loanry imports, remittances of money abroad and foreign travel. (7) Parallel rate. (9) Bunknote rate. (10) Rate for exports. (14) Nearly all business transactions. (15) Nilgeria, Auction price for dollar for February 2, 1987, 3.8914. (16) Poland, Zioty, devalued by 19.5% against Dollar, February 2. (17) Zamba, Kwacha, Set at 9.045 against Dollar, February 2.

35 BRITISH FUNDS AMERICANS—Cont.		Financial Times Tuesday February 3 1987 ENGINEERING—Continued INDUSTRIALS—Continued
1986-87 Price + or Yield 1986-87 Price + or Bir	BUILDING, TIMBER, ROADS—Cont DRAPERY & STORES—Cont.	1966/87 Sinch Price Pr
1011 96; [Treas. 10c: 1997	1 151 75 (Douglas (Robt. M) 148 \$2.25 2.7 2.2 19.2 42 21 Sameric 20a 34 -1	0.5 0.5
10219 9717 Treas 9197 88 9911 9911 94 10.35 27 179 Date Corp. S1 2214 51.28 137 179 179 179 179 179 179 179 179 179 17	111 54 Dn. W 106	10 25 23 23 23 23 23 23 23
107.6 7 Each Line 1999	152 55 164 Group 100 150 155 165 151 151 25 160 HWickers Op 225 1 120 42 13 251 160 125 150 160 125 150 16	130 105 De.Con.Ret.Pf Sp. 117 6.0 7.3 308 170 855 Group 20p 281 +5 17.75 34 3.9 10.6 116 39 Clayton Son 50p 161 7.0 2.8 1.8 4.6 530 Cohen (3) 26s 600 110.8 0.4 2.5 2.7 110.8 1.8 4.6 2.5 2.7 1.0 3.1 1.1 1.0 4.8 4.7 1.0 3.1 1.
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	77 29 Howard Shat 10p 52 41.4 13 38 20.9 215 127 Hostori, Johnson 201 147 148 25 31 162 ELECTRICALS 215 127 Hostori, Johnson 201 147 147 147 147 147 147 147 147 147 14	88 42 Create Group 67 1 4 - 4 5 155 10
100 773 100 107	Class Edit	315 167 Descritor Bros. 222 7.3 3.5 3.9 7.1 166 85 Retisfords 166 +1 475.27 45 101 27 Descritor Bros. 76 1.5 1.9 0.9 129 168 86 Respai 109 156 425 1.0 3.8 73.6 73.8
107% 92 Trees 10 x 1992 99 x = - 10.10 10.24 134 141 1974 127	140 93 H.on. & Choleste 113ml 57 \$\phi\$ 7.1 \$\phi\$ 125 60 Arten 20h 118 20.5 - 0.6 48.4 420 420 42 8.0 3.5 27 14.2 128 119 48.5 48.4 128 129 48.5 48.4 128 129 48.5 48.4 128 48.5 48.4 128 48.5 48.4 128 48.5 48	25 28 60 1000 200 112 - 200 1 7.4 10.5 480 174 800 470 145 150 480 144 200 1 80 144 20 1 80 14
100 103 104 105	288 144 Manders (John 2019 287 -1 5.0 4.2 3.4 10.0 155 118 State for 15.3 -2 13.4 \$\ 3.2 \$\ 4 \ 25 \ Mater (San) 10p 44 +2 10.0 -3.2 - 41.0 10.0 155 118 State for 10.0 10.0 10.0 10.0 10.0 10.0 10.0 10.	178 120 Half (Hardwei) 174 +2 +4.5 3.1 3.6 11.9 2294 51.5 8000 W 1532.50 265 1.6 1.6 1.7 2.6 -2.6 -2.6 -3.0 1.6 1.6 7.1 1.2 3.99 255 8000 1.6 1.6 1.7 1.6 1.7 1.
1354 106 Tree 124pt 1995th	340 160 Mottingtem Brick 324 +10 8.0 21 35 18.4 19 11 Beigin N 5p 161 11 15 167 10.7 18.9 18.9 120 11 Persimment 10p 280 +3 M6.3 3.4 3.2 16.0 265 138 Bergess Products 238 +2 62.9 5.3 17 16.3 116 12 13 15 15 15 15 15 15 15	120 782 Novelen Group
131 108 Trees 13 apr 1997; 117 31 - 5 11.27 11.32 17 39 39 49 49 49 1 1224 99 49 41 10.38 10.32 36 244 48 48 48 48 48 48 4	86-2 7. Raine Inds. 109 82 -1 0.82 2-1 0.82 14 22-1 27 Cable & Wirden Stop. 369 +10 +10 +10 5.1 18 19.3 115 55 HRamps 108 5.4 2.0 7.0 9.8 318 192 Earthwise Elec. 258 +2 7.45 17 3.9 20.9 471 332 Reclaim! 465 +7 +7 +10 +7 +7 +7 +7 +7 +7 +7 +	171 15 15 16 17 17 17 17 17 17 18 18
114 94 Freez. 10 30 1979 1013 10.21 10.23 662 41.4 Time Inc. \$1 475 4 10.00 1.12 10.25 10.24 15.00 1.12 10.25 10.24 15.00 1.12 10.25 10.	152 88 Sharpe & Febru 152 12.0 52 23 8.7 185 111 FCoBue Intl. 59 176m 12.7 6 22 6 775 465 Sindali (Wm) 725 45 12.0 52 23 8.7 185 111 FCoBue Intl. 59 176m 12.7 6 22 6 775 785	15 56 Metallitat 59 68 +1 102/29 27 57 14.3 17 17 18 18 18 18 18 18
1374 1144 17ext 14pt 98-01 1224 11.39 10.49 17t 975 Winton Carbide \$1 15.50 10.90 17t 975 19t 975 19	216 132 Tithery Group	79 67 Heleunge Trans. 50 78 1 1 2 3 1 1 3 5 2 7 7 7 7 7 7 7 7 7
194 114 17 17 17 17 17 17	107 99 Ward Group Sp. 126 127 128 129 128 129 128 129 128 129 128 129 128 129 128 129 128 129 128 129 128 129 128 129 128 129 128	91. 48 Reseld 44 143 20 14 \$ 1307 333 190 Center Core 2 328 1115 19 49 133 60 17 Relation West 10 59 1
171 96 2 Each 10 90 2005 104 4 10.07 9.96 11 2006 Can. lup. Bi. 52 11 4 11.06 4 11	226 120 Wimpey (Goo) 226 1-7 (3.75 3.3 2.3 13.6 3 125 13.6 125 13.7 13.75 13.7 13.7 13.7 13.7 13.7 13.7 13.7 13.7	57 29 Sanite Cortion 10p 57 42 41.28 22 32 19.8 20 8 Conducted Tech 10p 15 F0.27 2.0 - 10p 10p 56 20 17.7 18.0 21.7 18.0 21.7 18.0 21.7 18.0 21.7 18.0 21.7 18.0 21.7 18.0 21.7 18.0 21.7 2
100 765 Treas 50x 2009 834 9.55 9.76 136 106 964 Pacific Res 116 91 91 91 91 91 91 9	S21 290 American Int	200 e8 Stotteri & Pit Sp. 92 -1 8.52 6 3.2 6 40 256 Covean (6 Gr. 10p6 -5 -5 25 1.5 55 13.9 9.8 11 Group 6.1 15 15 13.9 13.1
42 33.2 War Loan March 253.1 + 5 9.72 — 189.2 S50 Printed Res	135 100 Bisquien Inds.	198 17 17 17 18 19 19 10 19 10 11 17 17 17 17 18 18 18
124 1154 7168-20c 188 1297 11 1284 +4 0.41 3.29 139 109 170 100	180 127 Crots int. 16p	270 17 Wagan Industr 258 46.5 2.5 4.5 12.2 938 160 184,6 mar 5p 943 +3
106 92 03.09247 107411 1045et 125 126	286 211 Force Mineto 200 45 90 21 49 (11) 25 14 25 14 15 27 14 17 11 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18	## 27 Proof.(\$\text{A} \) 28s
18 8 months prior to issue. RP1 for May 1996: 386.0 and for December 133, 400 Stat. Level 134, 1996: 393.0 1112 43 45 45 45 45 45 45 45	100 100	185 132 Adopterer 109 1398 3.0 0 29 0 229 101 Etters D1, \$41 20 20 172 578 300 Arged Green
11 154-5 11 154-5 15	179 179 179 173 1 118 44 1.5 219 125 50 Hillyman Nation 189 180 181	417 41.9 (Service 1 Feets) 417 4.
1034 101 101 102 103	9 47 Appears Acro 105 9 41 12.2 21 13.144 25 62 Micro Fours 105 9 40 13.3 3.5 2.5 14.2 35 Sarcillis Speakers 105 9 41 1.3 3.5 2.5 14.2 12.2 12.6 68 Micro Supple 105 9 40.6 4.5 12.2 12.6 12.6 Micro Supple 105 9 40.6 4.5 12.5 14.2 12.5 12.6 12.6 Micro Supple 105 9 40.6 4.5 12.5 14.2 12.5 12.6 12.6 Micro Supple 105 9 40.6 4.5 12.5 14.2 12.5 12.6 12.6 Micro Supple 105 9 40.6 4.5 12.6 12.6 12.6 12.6 12.6 12.6 12.6 12.6	203 205
CORPORATION LOANS 12.79 11.01 1034 11.02 12.79 11.01 1034 11.02 11.02 1034 1	DRAPERY AMD STORES 28 132 180 23 180	273 120 Horstie Whork \$4 25 1. 1.3.65 2.4 2.0 26.7 646 410 Fisnes 607 46 45.5 2.7 1.1 25.3 300 150 Chifford's Dairies 300 150 Chifford High 10 15 12.5 25 14 17.1 25 12.5 12.8 25
997 93, hters 64ac 1985-87 94ac 1.1.1 10.25 132 10.6 De br. A Cov Pri 124 65 - 6.8 11.35 11.3 Leves 131-pc 2006 12.1-1.1 10.25 10.6 94 20 Minitard 51 979 +2 92.5 2.7 6.0 84 12.7 51.0 52 10.6 Sept. Sep	310 130 Assistant 9 20 -5 12.51.4 1.5 62.5 96 77 Marray Tech. Inst 879 457 01.57.3.3 1.0 1.75 1.5 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	295 201 Dec Carp 50 225ml+2 17.2 1.1 4.4 (28.7) 92 80 4Ford 6 Weston 50 80 1.2 25 Empland (J.) 30 10 86 17 4 18 17 17 18 2 18 18 18 18 18 18 18 18 18 18 18 18 18
COMMONWEALTH & AFRICAN LOANS 944, 79 NZ 7/upc 1988-92 84- 892 12.20 380 12.20 10.8 Warrants. 76 10.4 Spc 7/19 7/20 1988-92 10.8 Spc 10.8	208 15 Servatis 10;	200 180 feets cover 39 49 41 2.7 9 4 7.9 9 125 125 (Conston Risentl 9) 215 183 (Consto
1024 991 Prints 1212 290 1012 1024 992 1012 1	210 115 #Briton It.) Car life. 210	215 115 Hunter Suphir 216 45 22 32 15 270 362 275 Rains 10p 253 -2 (2.7) 5.7 0.9 25.5 290 247 Include Fronts 10p 226 -1 163.3 2.7 16 2.7
1004 981 0 99ac 18.587 991 992 11.37 989 36 Caste's (Hégo 100 532 - 1-2 1.8 1.9 4.7 14. 1004) 981 0 91ac 15.687 993 974 11.12 150 123 Comb Lesse Fin 500 148 +8 1.135 39 1.3 21. 100 98 50 0 91ac 15.687 993 985 11.10 100 100 678 160 678 160 678 160 678 160 160 160 160 160 160 160 160 160 160		625 20 Lon (Wm.) 20p. 577 -2 13.3 15.7 19 3.3 18.7 10 Do. 7op/P.S. 11.4 17.7 1.9 3.3 18.7 11.0 79 H48 Case & Carry 103 13.5 2.1 4.9 11.5 26 20 10.0 Do. 7op/P.S. 11.4 11.4 11.4 11.4 11.4 11.4 11.5 11.4 11.4
100 99 10.11 95 21 167 110 95 00.33pc 1 to 2021 973pd 10.21 100 195 00.33pc 1 to 2021 973pd 10.21 100 10	438 218 Diams Grosp 105 213 at +6 230 51 13 195 240 148 Recal Electronics 217 +7 13.03 3.0 2.0 2.1 599 345 Diams Grosp 105 588 195 55 13 17.0 512 590 50 782 782 782 782 783 783 783 784 7	300 244 Northern Foots 281 +10 8.0 2.4 4.0 13.9 32 4 14 12 29 33.9 52 6 152 Northern Foots 281 +10 8.0 2.4 4.0 13.9 52 6 152 Northern Foots 281 15.0 20 152 Northern Foots 281 152 Northern Foots 2
Financial Financial Financial 1031 971; [inv in ind 1] to Unin '89] 1001 1075; [inv in ind 1] to Unin '89] 1002 1075; [inv in ind 1] to Unin '89] 1002 1075; [inv in ind 1] to Unin '89] 1002 1075; [inv in ind 1] to Unin '89] 1003 1075; [inv in ind 1] to Unin '89] 1004 1075; [inv in ind 1] to Unin '89] 1007 1075; [inv in ind 1] to Unin '89] 1007 1075; [inv in ind 1] to Unin '89] 1007 1075; [inv in ind 1] to Unin '89] 1007 1075; [inv in ind 1] to Unin '89] 10075; [inv in ind 1	156 105 Freeks (Mr.) 90.05 153 84.5c 2.6 20 19.3 900 98 57c 57c 100.00	173 100
FOREIGN BONDS & RAILS 1996/67 High Low Stack Corp Pri 134 5,95% - 7,4 - 7,4 5,95% - 7,4 7,4 5,95% - 7,4 7,4 5,95% - 7,4 7,4	54 57 \$\\ \frac{\text{Gev-Rives 50}}{20}	340 270 Unique 200 Unique 200 270 270 Unique 200 270 270 Unique 200 270 270 270 270 270 270 270 270 270
20 10 505 (1/15) 22 - 287 160 Irrip Distillers 207 +1 099.7% 6 3.4 6 40 10 10 505 (25 Baser 17 - 375 310 Macalian-Glevineth 372 1 334 6 13 334 5 12 45 Greek Fox Ass. 45 st. 3.50 17.78 940 725 Macalian-Glevineth 372 1 17.5 1.9 2.6 24 40 10 to box 23 5th, Ass. 45 st. 3 16 b7 118 77 Marsyon Thompson 118 1 22 4 31 2.7 1b.	100 58	HOTELS AND CATERERS 377 20 Jackson Soorre. 37 +5 6.0 1.7 25 1273 4.0 Jackson Soorre. 37 +5 6.0 1.7 25 1273 4.0 Jackson Soorre. 37 +5 6.0 1.7 25 1273 4.0 Jackson Soorre. 37 +5 6.0 1.7 25 1273 4.0 Jackson Soorre. 37 +5 6.0 1.7 25 1273 4.0 Jackson Soorre. 37 +5 6.0 1.7 25 1273 4.0 Jackson Soorre. 37 +5 4.0
72 OF Incessed 0-3cc 35-36 96	111 LCP Midgs	494 332 C-and Met. 50p 494 +19 10.25627 3.0 14.4 133 66 Sourdan (T.) 10p 129 10.56 2.2 4.0 13.0 14.6 13.0 10 MEnterprises 20p 140 4.0 125 Menterp Broken 10p 225 +7 11.49 10.9 10.7 14.7 30 22 Kalamatro 10p 28 +2 1.0 -5.0 -406 312 Lattrove 10p 25 40 44 41 12.5 1.9 1.9 11.9 12.5 10.0 2.8 12.5 10.0
1986-67 Stock Frice + or 1987 1986 199 240 109 240 255 -5 1209 31 29 31 31 31 31 31 31 31 3	152 123 Lloyd Chemst 59 152 +1 123 33 12 36 38 20 121 10 10 10 10 10 1	181 83 HMarson Hotels 50p 186 1424 2.9 1.9 (20.8) 348 215 (Kenyon Securities 335 at 110.4 2.0 44 16.4 132 49 89½ Pres Entertain 50p 146 +1 152.0 3.2 1.9 22.5 300 20 Kerstain (A.) 20 208 +1 15.0 0 7.4 0 118 (Kee-E-Z-Hidgs 276 118 (Kee-E-Z-Hidgs
19-97/ Ametabl St	794 188 Next 10a 256 +3 5.0 23 28 223 110 75 Weither El. 12t-0 108 23 30 30 15.8 360 310 Other (G.) "A" 360 360 190 19 35 208 101 49 Weither El. 12t-0 108 23 30 30 15.8 100 100 100 100 100 100 100 100 100 10	209 140 Trastione Forte 209 +2 5.0 al. 8 41 145 44 414 impose Porretain
204 144 Amines	143 68 Promarent less 109 91 25 24 3.9 128 ENGINEERING 439 264 Ranner 105 254 at 31 128 1.79 28 66 (7.8) 273 1034 Ranner 109 264 at 3 13.0 28 1.6 34.1 162 111 Do. Core Core Pf 11 158 +4 5864 52 - 257 174 Advest Group 234 853 23 51 11.9 194 135 Reed Austo 'A' NV. 169 55 21 46 143 77 361 Aerospace Group 70 164 1.8 58 134 130 101 Promar 5p 188 11.5 32 1.6 21.8 440 36 & Laxy 415 120.25 1.7 69 12.1 56 30 560 Stores 125p 51 +1 2 315 99 5 843 Ind 150 9	144 94 AIM 10s 164 65.75 18 5.7 13.8 84 97 1.00. & Nhm. Grs. 108 - - 13.3 155 1450 15.5 17.0 -5 8.0 3.0 6.6 7.1 291 1571 1572 158 158 159 150 1572
Signature Engrey St 6d St 74 21 164	360 310 Oliver (G.) "A" 360	INDUSTRIALS (Miscel.) 113 73 15 15 15 15 15 15 15 1
25 18 CSX Corp U.S.S.1.00 211/4 31.14 37 30 22 Vinesametri Grp. 29 1 1 2 2 1 2 2 2 2 2	120 72 Storehouse 109 130 1-2 11.6 (5.5 1.7 11.5 75 47	28 20 Anglo Norte 24 0.4 23 23 129 Mesoprist ip 27 2 27 2 28 20 Anglo Norte 24 23 23 129 Mesoprist ip 27 2 24 23 129 Mesoprist ip 27 2 24 25 129 Mesoprist ip 27 2 24 25 129 Mesoprist ip 27 2 24 25 129 Mesoprist ip 27 2 27 2 29 14.1 25 100 Mesoprist ip 27 2 29 14.7 3.2 2.9 14.1 25 100 Mesoprist ip 27 2 29 24 25 129 Mesoprist ip 27 2 29 24 25 25 25 25 25 25 25 25 25 25 25 25 25

ï

Account Dealing Dates Option "First Declara- Last Account Dealings tions Dealings Day

Jan 12 Jan 22 Jan 23 Feb 2 Jan 26 Feb 5 Feb 6 Feb 16 Feb 9 Feb 19 Feb 20 Mar 2 "New time dealings may take place from 9.00 em two business days earlier.

Determined, but selective, buying of the equity blue chips by UK institutions sent the London stock market soaring to new peaks yesterday. Pharmaceutical issues again dominated the scene, with Glaxo gaining nearly £1 at best as investors pre-empted the group's presentation to New York analysts later this month. But the Government bond sector, discouraged by sluggishness in the pound and in the US bond markets, hardly stirred from Friday's closing levels.

The stock market advanced strongly from the opening, and major market indices quickly broke through to new peaks. A firm start on Wall Street kept London on the boil, and prices closed virtually at

The FT-SE 100 index closed a net 24.5 higher at a new all-time peak of 1832.80. A gain of 22.9 took the FT ordinary index to 1463.9, also a new

Optimism for the outlook for UK exports brought buyers in for engineering and electrical issues. Stock price gains were also fuelled by a shortage of stock, which in turn effected unwillingness of institutions to sell while Wall Street and Tokyo markets are still strong

However, there were signs yesterday that the surge in the narket had begun to tempt some institutional sellers. Hill Samuel opened its morning market review, "As equities test new bighs, do not be tempted into the market." Mr N. Knight, equity strategist at James Capel commented on the danger of a "sharp turn in the market" should externel factors act as a trigger.

However, the star turn was Glaxe, as buyers found it almost impossible to tempt sellers of the stock, despite the powerful gain since early September. On February 24, the group makes an important presentation to US investors.

drug projects will be unveiled.
Bullishness towards pharmaceuticals spilled over to Beecham and Imperial Chemical Industries (ICI). Favourable press review in the US at the weekend brought a further surge in ICI, and Beecham also advanced in heavy

Early firmness on Well Street brought US buyers for such transatlantic favourites as Saatchi & Saatchi, BAT Industries and Uallever.

But also strong were UK expor-ting stocks, like GEC and GKN, both with heavy turnover recorded. And among the speculative issues, Grand Metropolitan

With equities now increasingly attractive on a yield basis, Gilts had a disappointing session. Turnover was extremely thin, and prices did no more than steady from a soft start.

Traders commented that "there

EQUITY GROUPS

& SUB-SECTIONS

CAPITAL EQUUS (209) .

Contracting, Construction (28)

Mechanical Engineering (61) .

Other Industrial Materials (21)...

CONSUMER UNOUP (116) _ Brewers and Distillers (22)

Nealth and Household Products (10)...

ood Manufacturing (25). Food Retailing (16)

Packaging & Paper (14) Publishing & Printing (14)

Shipping and Transport (10).

500 SHARE INDEX (500)_

FT-SE 100 SHARE INDEX # ..

FIXED INTEREST

Mon Feb

120.95

117*2*7

9 Debenturas & Leass _ | 117.19 | -0.06 | 117.26 |

Day's change %

134.86 +0.09 134.80

154.57 +0.31 154.69

132.48 +0.03 132.47

114.10 -0.08 114.19

114.59 -0.05 114.64

...| 82.12 | +0.23 | 81.93 | ___

+0.01 120.94

141.79 +8.04 141.92 0.19

+0.10 |117.15

Fri Jan 30

OTHER GROUPS (67). Agencies (17) -Chemicals (21)...

Matars (15) ...

Stores (37) .

Banks (8)

Property (47).. Other Financial (25).

British Govern

2 5-15 years ...

3 Over 15 years...

4 Irredeemables...

Index-Linked

5 All stocks

6 5 years....

7 Over 5 years.

B All stocks ...

Investment Trusts (96) Mining Finance (2) Overseas Traders (12) ..

Textiles (17).

New peaks in the equity market but Government

bonds neglected in nervous session was no reason to be brave" in a gilt-edged market vulnerable to election poll predictions. While optimistic for tax cuts in the UK Rudget Gilt traders are also cautious over the outlook for the sterling exchange rate index, a shade easier again yesterday.

Benchmark active

Benchmark, formerly Manson the bank sector, closing an active session 11 higher at 82p on further consideration of the merger with Charlton Seal Dimmock, the Manchester and London-based firm of stockbrokers; shares in the financial services concern have now risen 43 since the deal was first Elsewhere, Morgan Grenfell, which had gained 6 last Friday on vague rumours that Lloyds Bank had acquired a 5 per cent stake, reacted 4 to 417p following adverse comment suggesting that the Sul-tan of Brunei is contemplating moving all or part of his £2.6bu portfolio from Morgans to Midland

ments on the sector induced renewed support for Composite Insurances. Around 61/2m Co cial Union shares changed hands and the close was 15 better at 314p; the preliminary results are sche-duled for March 4. Elsewhere, publicity given to a Barclays de Zoete Wedd recommendeation left Abbey Life 7 dearer at 243p.

Takeover bopes continued to flourish in the Brewery sector. Vaux were the focal point following Friday's disclosure that rival concern Wolverhampton and Dudley had built up a 5 per cent share-holding. Renewed buying pushed Vaux higher to 582p bld before the two-day gain of nearly 80 to 578p Welverhampton eased to 289p, but other stocks enjoyed a firm ses-Allied-Lyons advanced 4 to 337p while J. A. Devenish attracted speculative interest and improved 7 to 219p. Greene King were also in demand at 315p, up 4, but after good two-way activity Guinness were slightly lower at 292p; US interest in the latter was countered by domestic selling, part of which represented profit-taking from Account oper

Reports of increased activity in the Construction sector encouraged fresh support for selected. Building issues. Tarmac, addi-tionally boosted by a broker's "buy" recommendation, touched 492p prior to closing a net 20 up at 490p. Stake-building rumours lifteddGeorge Wimpey 7 to 226p, while persistent bid speculation iest Barratt Developments 6 dearer more to 596p and Rediand advanced 7 to 465p. A combination of bid rumours and a broker's recommendation stimulated tim-ber group Meyer International which touched 330p before closing 6 higher at 326p. Henderson Group gained 12 to 213p on rerating

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

Monday February 2 1987

8.14 8.19 7.72 8.27 9.02 8.82 7.05 8.50 8.20 4.74 6.90 6.81 7.31 8.50 4.64 7.62 6.03 9.95

3.41 3.51 4.02

237 3.76 3.71 3.36 4.29 3.47 3.46 2.76 1.90 3.74 2.95 3.43 3.08 3.12 3.68 1.77 3.53 3.85 4.25 3.41

4.30 5.14 4.17 4.34 4.42 3.01 3.51 3.74

2.50 4.32 5.40

4 Medium

5 Coupons

7 High 8 Coupons

16 Loses

Index-Linked
Inflatin rate 5%
Is inflatin rate 5%
Inflatin rate 10%
Inflatin rate 10%

3.69 —

7.76 -7.97 -5.71 7.36

8.41 9.74

xd adj. 1987

0.85

1.37

0.94

0.00

1.12

0.00

0.36

0.30

0.25

0.22

うりゅうせんをおけかがり かおおかさん しんご

15.56 15.33 19.13

16.04 14.06 13.32 13.07

16.92 18.48 14.76 16.03 20.36 24,44 18.86 20.73 21.64 18.59 14.19

14.63 29.37 16.39 15.57 20.73 13.22 11.32

7.73

16.32 22.78

17.22

13.98 12.48

| Index | Day's | Day's | Day's | Jan | Ja

AVERAGE GROSS REDEMPTION VIELUS

25 years... 5 years...

15 years... 25 years...

Over 5 yrs... 5 yrs...

954.86 +1.6 7.67 3.28 16.52 0.79 938.86 932.87 936.79 725.06
 1609;24
 -0.2
 10.58
 5.63
 11.95
 0.00
 1611,71
 1698,55
 1619,88
 1135,87

 1009;32
 +1.4
 8.08
 3.61
 15.67
 0.72
 995,73
 990,00
 994,56
 760,51

 654,34
 +0.4
 4.30
 0.33
 651,73
 650,56
 659,22
 522,63

Day'ı Change %

+1.1 +1.7 +0.9 +0.6

+2.0 +1.8 +1.9 +0.8 +4.6 +0.7 +0.8 +1.9 +0.8 +1.9

+1.5 +0.9 +3.3 +0.7 +0.9 +0.9 +1.6

777.31 955.36 1335.32

1952.75 1738.02 441.99

400.87 311.84

1285.Rf

1253.80 1258.78 999.18 815.35 1971.43

2002.88 1109.47 567.55 3322.79 877.24 649.30

898.53 1237.15 1194.90

1133.45 1731.02

906.61

715.07

715.07 --931.07 +0.7 560.15 +0.9 1198.69 +0.1 382.84 -0.3 837.15 +0.9 407.49 +0.3

921.96 +0.5 371.11 +0.3 828.55 -0.5

xd adî. today

0.03

	Feb.	Jan.	Jan.	Jan.	Jan.	Year	1986/87		Since Compilation	
	2	30	20	28	27	890 890	High	Low	High	Low
Government Secs	83.35	85,31	85.35	85.31	85.37	80.89	94.51 (18/4/86)	80.39 (20/1/86)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed laterest	91.93	91.90	91.43	91.47	91.35	87.17	97.68 (7/7/86)	86.55 (23/1/86)	105.4 (28/11/47)	50.53 (37.75)
Ordinary 🛡	1,463.9	1,441.0	1,427.0	1,440.4	1,441.6	1,155.3	1,463.9 (2/2/87)	1,0943	1,441.6 (27/1/87)	49.4 (26/6/40
Gold Mines	313.5	321.8	322.6	331.1	322.9	344.9	357.8 (22/9/66)	185.7 (18/7/86)	734.7 (15/2/83)	43.5 (26/10/7)
Ord. Div. Yleid	3.87	3.95	3.99	3.96	3.96	4.46		S.E. AC	TIVITY	
Earnings Yld.%(foli)	9.04	9.25	9.36	9.29	9.30	10.86	la:	dices	Jan. 30	Jan. 29
P/E Ratio (net) (+)	13.55	13.26	13.10	13.20	13.18	11.46	Glit Edged	Bargains	123.0	113.7
EAQ Bargains (5 pm)	40,150	34,168	37,029	39,468	35,800	-	Equity Sart	jains	283.0 2717.2	3.3.7 3205.6
Equity Turnover (£m)	_	1,344.33	1,585.94	1,483.77	1,254.59	439.76	5-Day Ave	rage		
Equity Bargains		43,671	46,864	48,859	47,014	25,182	Gilt Édged	Bargains Pains	128.7 302.4	132.6 315.2
Shares Traded (ml)		546.3	580.3	575.1	525.7	222.8	Equity Dary	4	2771.9	2788.9

Day's High 1466.4. Day's Low 1451.7 Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, *Nit=13.06 LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

1463.4

firmed 3 to 78p following press comment Eisewhere, Thomson T-Line Caravans shed 14 to 454p following details of the agreed share-exchange offer for Taddale. ICI featured prominently among international stocks and gained 1/2 to £131/2; the annual results are due on February 26.

1451.7

10 a.m.

1456.0

11 a.m.

1456.0

Hopes of tax cuts in next month's Budget and lower interest rates revived yesterday to bolster leading Stores. A press suggestion that the sector was overdue for a rerating also induced good support. Dixons added 6 at 313p a Storehouse gained 4 at 286p, while Gussies "A" firmed % to £11,4 and Weelworth moved up 15 at 735p. Elsewhere, Body Shop jumped 63 more for a two-day rise of 123 at 958p after renewed buying in a restricted market on expansion

Molynx soar

Suspended only last Friday at 53p at the company's request pending an announcement, dealings were resumed yesterday in Molynz, which closed 47 up at 140p, follow-ing news that the old board had sold 39 per cent of the company's shares to new managing director, Mr Nick Mavrikakis and friends at around 136p per share. Elsewhere in Electricals, Amstrad continued to attract good support—well over 8m shares changed hands—shead of the forthcoming interim figures and closed a further 6 dearer at 162p. Micro Business Systems rose 7 to 105p in response to Press comment and speculative gains of 7 and 8 respectively were seen in Zygal Dynamics, 70p, and Crystalate, 269p. Wholesale Fittings adv anced 10 to 350p on further con-

Thur Jan 29

0.74 769.67 767.13 776.79 599.83 0.56 939.24 935.01 930.23 647.15 0.34 1323.71 1321.59 1325.96 941.39

0.34 | 1323.71 | 1321.59 | 1325.56 | 547.159 | 0.00 | 1941.10 | 1910.02 | 1923.92 | 1705.10 | 51.51 | 1723.11 | 1723.04 | 1745.04 | 1459.70 | 0.17 | 436.494 | 436.87 | 437.45 | 333.88 | 0.00 | 398.73 | 399.74 | 399.87 | 265.57 | 0.00 | 308.05 | 302.87 | 302.49 | 237.15 | 0.00 | 1276.96 | 1277.03 | 1291.61 | 1063.85 | 0.95 | 1038.44 | 1029.92 | 1036.72 | 777.45 | 0.00 | 981.48 | 966.27 | 971.74 | 786.98 | 1.18 | 799.77 | 796.31 | 794.45 | 576.14 | 95.01 | 1956.35 | 1966.15 | 1958.53 | 1707.52 | 0.02 | 1934.62 | 1868.10 | 1898.00 | 2317.74 | 0.03 | 1326.59 | 3266.98 | 3277.32 | 1327.74 | 3261.59 | 3266.98 | 3277.32 | 1938.72 | 326.59 | 3266.98 | 3277.32 | 1938.72 | 0.00 | 635.49 | 634.99 | 638.08 | 429.79 | 0.25 | 284.97 | 878.97 | 878.46 | 722.42 | 0.30 | 1226.37 | 1216.93 | 1225.52 | 0.00 | 1715.65 | 1113.39 | 1143.25 | 0.00 | 0.00 | 1715.65 | 1113.39 | 1143.25 | 0.00 | 0.00 | 1715.65 | 1892.35 | 880.31 | 872.73 | 0.00 | 0.00 | 1715.65 | 1892.35 | 880.31 | 872.73 | 0.00 | 0.00 | 1715.65 | 1892.35 | 880.31 | 872.73 | 0.00 | 0.00 | 1715.65 | 1892.35 | 880.31 | 872.73 | 0.00 | 0.00 | 1715.65 | 1892.35 | 880.31 | 872.73 | 0.00 | 0.00 | 1715.65 | 1892.35 | 880.31 | 872.73 | 0.00 | 0.00 | 1715.65 | 1892.35 | 880.31 | 872.73 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0

0.00 898.15 892.35 880.31 872.73 0.67 1214.70 1207.59 1196.13 874.83

0.33 651.73 650.56 659.22 522.63
0.69 714.91 716.83 730.37 517.33
0.00 924.73 916.26 924.55 798.71
0.00 975.50 493.56 504.86 416.53
0.97 1197.64 1194.95 1224.91 1281.39
0.00 384.13 382.97 384.13 301.23
0.05 829.98 827.88 831.95 669.27
0.62 406.32 406.31 405.91 295.78
0.60 917.77 719.26 918.86 660.38
0.00 970.35 371.51 374.12 266.06
0.00 970.35 371.51 374.12 266.06
0.00 970.35 371.51 374.12 266.06
0.00 970.35 371.51 374.12 266.06
0.00 970.35 371.51 374.12 266.06
0.00 970.35 371.51 374.12 266.06
0.00 970.35 371.51 374.12 266.06
0.00 970.35 371.51 374.12 266.06
0.00 970.35 371.51 374.12 266.06
0.00 970.35 371.51 374.12 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35 371.51 374.32 266.06
0.00 970.35

0.61 903.29 899.10 904.34 692.74

Fri Jac 30

9.31 9.85 9.86 10.33 10.14 9.96 10.37 10.29 10.02 9.81

3.55 3.74 1.96 3.58

11.02

10.98 10.94

Mon Feb 2

9.32 9.85 9.86 10.33 10.13 9.95 10.38 10.28 10.00

3.50

3.74 1.92 3.59

11.03

10.99 10.94

(Spinor)

10.99 10.64 11.81

10.75

10.31

4.71

3.88 3.70 3.73

12.11

11.87 11.65

Wed Jan 28

index No.

sideration of the half-year results, but Uniteth relinquished 5 to 243p in front of today's first-half results. Among the leaders, Racal, which better-than-expecte nterim profits last week, closed to the good at 217p, while a good business in Plessey (10m) left the shares 5 up at 214p. STC firmed 5 to 201p and Ferranti improved the

1463.8

same amount to 119p.

Selective support was forthcoming for Engineering shares. GEN, still benefiting from a broker's upgraded profits forecast, were again briskly traded and put on 9 further to 324p. Vickers firmed 10 to 451p and Hawker edged a little higher to close at 531p. Outside of the leaders, Baker Perkins, the subject of an agreed merger with APV, advanced 13 to 406p following a weekend Press article suggesting that Robert Maxwell had built up a mear5 per cent stake in Baker. APV improved 7 to 660p. Newspaper mention also directed buying attention to RHP,5 better at 1921/2p. and Linread which featured a gain of 18 to 120p in a limited market. Davy Corporation attracted support at 170p, up 12, along with Babenck, which improved 5 to 204p. Hallite. in contrast, dipped 30 to 200p, still unsettled by the profits warning which accompanied the interim

figures. Tate and Lyle provided the outstanding movement in the Food sector, rising 21 to 658p, mainly reflecting agressive demand from brokers James Capel. Nerthern Foods attracted good support on rumours of a broker's tip and closed 10 higher at 281p, while Hillsdown Heldings firmed 6 to 229p on speculation that the company may soon announce a major acquisition. Press comment stimulated takeover favourite Rank PROPERTY (21). SHIPPING (2). reflecting agressive demand from brokers James Capel. Northern

Hovis McDougall which gained 10½ to 318½p, while United Bis-cuits put on 5½ to 261½p. Booker firmed 4 to 385p on news that the company had arranged an ADR facility.

3 p.m. 1460.6

Renewed speculative buying amid vague takeover suggestions boosted Grand Metropelitan 19 to

A good turnover developed infaisxo, particularly at the higher levels, and the shares eventually settled with a fresh rise of % at £13%. Among the other international stocks, BOC, scheduled to reveal first quarter figures next Tuesday, advanced 17 to 435p. Beecham pushed ahead to close 13 higher at 499p, while active trading in Boots left the shares 3 better at 70p. Pikington continued their recent improvement with a further gain of 6 at 691p. A reasonable turnover occurred in Reed International which posted a gain of 16 at 387p. Elsewhere, weekend press mention prompted further demand for Aven Rubber, up 13 more at 448p. Demand persisted for Loudon International which gained 11 more to 296p. Redfearn Glass, a

494p, a rise of 33 over the last two trading sessions. Trusthouse Forte hardened 2 more to 209p and Lad-

Glaxo feature

following the annual results.

tinned when revived institutional

NEW HIGHS AND LOWS FOR 1986-87 TEXTILES (12). TRUSTS (42). OILS (3). OVERSEAS TRADERS (3). PLANTATIONS (4). MINES (3). THIRD

NEW LUWS (7)
STORES (2) Bik Bok Gruppen, Elec Spec
Prod. ELECTRICALS (3) Densiron int,
Ericason (L. M.), F & N
Group, INDUSTRIALS (2) CCA Galleries,

mitments forced the price up 17 to a record 397p. The possibility of a rival bid emerging for Fothergill news of the GM Firth stake, put on 13 more to 451p, but Cowan de not a trading influence. The Tex- sharp loss. t, reflecting disappointment with the interim statement, gave up 5 to 65p. Forthergill and Harvey tile sector was also notable for fresh activity in Tootals, 5 higher at 123p, and for renewed strength in Tomkinsons, 10 dearer at a peak gained 16 to 318p on the announce ment of the possibility of an 220p. Dura Mill, 930p, and Leeds, 261p, posted gains of 15 and 9, while Hugh Mackey moved up 5 to alternative offer for the company. Demand in a limited market left Radiant Metal 20 higher at 205p and NMW Computers 17 dearer at 265p. News that Hapag-Lloyd Flug of A much brighter trading West Germany has signed a con-tract with Airbus Industrie for performance left BAT Industries showing a gain of 10 at 510p and Rothmans International a rise of interest in British Aerospace which 10 at 197p. Light demand in a limited marrose 13 to 588p. Fisons edged up 6 to 607p, while Wellcome staged a ket raised United Trust and Credit

33 to 510p, while Amalgamated

Financial Investments put on 4 to 39p. Investment Trusts were often higher on the day.

411p, while IC Gas put on 5 to 593p. Sovereign added 2 to 65p but Ire-

land's Conroy dipped a further 6 to 85p as rumours about drilling diffi-

culties in County Kilkenny per-sisted.

Lonrho retreated further in the absence of worthwhile support and closed 4 down at 247p, but Far

Eastern influences boosted Sime Darby 6 to 80p. For identical

reasons, Bertam gained 7 to 94p,

amount to 94p and Harrisons
Halaysian 4 to 120p.
The strength of the UK equity
market overflowed into gold
shares yesterday, bringing
increased support from the UK
nativitions Helped along also be

Institutions. Helped along also by

support from the Continent, gold

shares staged a raily from the weakness of Friday's session. However, currency factors kept

Oils below best

230p. Dowty rallied strongly as buying from a securities House caught other marketmakers running short book positions and the shares jumped II to 250p. Dowty have been out of favour since revealing uninspiring first-half results last month which have prompted some analysts to advise industries also recovered to end 11 higher at 541p while Jaguar

useful revival and closed higher at

improved 5 to 601p.

Paper/Printings showed indeclraper rinkings showed indeci-sion after the recent spell of pro-longed firmness. BPCC managed to rise 5 to 278p and Jefferson Smarfit gained 10 to 438p following news that the group had exer-cised its European option with Container Corp. of America. Advertising Agencies also turned irregular but Crown TV Products rehounded & to 85p and Octopus

Publishing spurted 30 to 630p. Institutional support prompted higher levels among the Property leaders. Land Securities firmed 6 to 347p and MEPC rose 5 to 348p. British Land, underpinned by a recent broker's recommendation, added a penny more to 190p, while en A hardened 5 t Elsewhere, London and Edinburgh Trust attracted further buying interest at 610p, up 10, while a resurgence of bid rumours lifted Marier Estates 55 to 690p. Press comment stimulated Asda Prop-erty. finally 5 higher at 345p and Connells, 4 better at 350p. Othe bright spots included Mountleigh 15 higher at 231p and Merievale Meore, 10 to the good at 255p. Warner Estate firmed 45 to 935p

Courtaulds' impressive run con-

LONDON TRADED OPTIONS

LONDON TRADED OPTIONS																
			CALLS			PUTS	-				Pat	CALLS			PUTS	
Option Allied Lyons	290	Apr.	72 72	Oct.	Apr.	Jaly 3	Oct.		Option broke	390	75	Hay.	A09.	Pak.	May.	Arg.
(*336)	300 330 360	45 23 10	55 55 18	65 45 30	271 10 32	7 17 35	10 22 40	_	404)	390 360 390 420	45 18 5	53 32 18	45	11 ₂ 5 22	13 30	17 35
B.P. (*771)	650 700 750	127 80 42	140 95 63	 83	2 8 28	5 14 35 65	-		S440 188) and Bit	145 160 180	29 23	53 37 24	59 49 31	1 3	19	4 7 16
British Gas (*69)	50 50	201 ₀	39 23 144	55 17	60 0 ¹ 2	(N ₂ 11 ₂	73		598)	500 550 600 650	60 17 4	72 40 18	125 85 55 32	1 4 15 57	35 35	17 40 70
Cons. Gold (*733)	650 700 750	44 104 64 37	74 127 92	105	6 16 47	19 92 93 95	6 40 67		& O. 570)	550 600	75 29 5	85 45 18	95 55 28	11 ₂ 5 35	. 7 16 42	11 25 45
Courtanids (*397)	300	20 109	60 37 117 87	56	30	87 3 6	# 10		215) 215)	140 160 180 200	75 35 16	60 42 28	- 3 50 32	012 12	1 2 5 10	3622
Com. Union	330 360 390 260	79 54 29	62 40	94 68 52	13 11 ₂	12 18	15 22		T.Z. 756)	220 650 700	115	14 132 94 62	20 150 112	12 2 2	18 7 18	
(*300)	280 300 330	56 23 11	3481	53 39	4 ⁷ 10 31	79	20	Vasi	Reefs	750 800	70 30 5	32	47	27 50	72	12 25 45 74
Cable & Wire (*364)	300 325 330	70 48	78 52	65	11 ₂	9	15	- (-	\$9C)	90 90 100	241 ₂ 141 ₂ 51 ₂ 11 ₅	2012 177 1112	294g 214g 14	1 5 115	11 ₂ 41 ₂ 0	212 514 942 1502
	350 360 390	29 10	39	47	33	20 38	28		% 1991 105)	100 102 104	2 / A	415-01-10-10-10-10-10-10-10-10-10-10-10-10-	312 20 20	50	03	0,5 1 14
G.E.C. (*201)	180 200 220	25	27 22 9	44 28 15	2 8 22	13 24	7 16 28	Trails	% 03/07	108 108	7 04 7	74	е В4-	0% 141 3%	215 315	-St
Grand Met. (*494)	390 420 460 900	108 76 45 18	868	102 80 50	712 112	7 15 33	11 22 42	, ' <u>'</u>	113)	108 110 212 114 116	1004	14.57.4.51.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.	557	00 - 1 N S	- A Constitution	1244
(*3306)	1100 1150 1200 1250	217 167 127 85	232 190 147 115	215 172 137	4 6 15 32	10 18 27 42	32 42 69		Option	1 118	War	Jone	Sep	Mar	June	Sep
Land Securities (*347)	300 330 360	54 32 14	59 38 20	68 47 27	2 5 17	3 8 22	4 11 26	Bee (*4	cham 190)	390 420 460 500	115	ភេនក	195 25	Nerr	1 ¹ / ₄ 15 30	7 20 33
Maries & Spea (*189)	180 200 220	20 6 3	23 19 5	31 18	15 33	8 19 34	20 —		965 58)	220 240 260	52 32 15 ₁	57 39 24	65 44 30 18	1	7510	4 9 15 23
Shefi Trazs, (*1088)	900 950 1000 1050	203 153 103 63 31	215 170 125 83 50	143 105 73	3 10 23 52	5 11 22 35 62	32 48 73	(-2	TŘ 182)	290 250 280 300 330	87 14 6	34 23 15	44 33 21 1	22 88 23 48	21 7 30	11 20 33
Trafsigar House (*299)	240 250 280 300	65 45 31 18	55 38 25	64 47 33	125	4 9 19	7 13 23	Blue (%	Circle 90)	550 600 650 700 750	150 100 55 22 10	156 106 70 40 20	123 88 55 33	1 10 25 65	5 18 42 75	16 25 47 82
7SB (*78)	70 80 90 100	10½ 41 ₂ 1 0°2	13½ 8 3	16 101 ₂	13 23	2 6 ¹ 2 13 ¹ 2	712 712	De E		750 800 850 900 950	205 155 110 75	220 170 130 105	235 185 150 120	5 10 15 28 50	19 17 30 48	20 35 50 65
Wootworth (*734)	650 700 750	105 65 32	125 85 45	135 100 55	18 40	12 25 45	17 30 50	Dir.	ons 11)	950 300 330 360 390	26 9 3	36 20 12 5	105 44 32 17	50 26 52 82	70 10 26 54 84	90 11 30 56
Option		Mar	June	0cz	Mar	June	Oct	Gi;	LEG 1751	1100	295 245	_	350 315	2 3	6	15
Bass (*813)	700 750 800 850	115 70 35 10	130 95 58	150 120 75	27 20 60	5 17 35	8 20 45			1200 1250 1300	200 155 115	245	275 240 210	6 13 10	17 30 40	37 42 60
GKN (*324)	280 280 300 330	68 48 32 13	71 52 38 23	77 58 44 30	1 1 ¹ 2 4 15	2 4 10 22	3 70 14 27	(*)	42)	120 135 150 165	24 ¹ 2 12 4 ¹ 2 1	171 ₂	22 131,2 81,2	1 10 ¹ 2 24	131,	7 140 ₂ 26
Jaguar (*601)	460 500 550	345 105 60	120 77	135	1	4 14 30	7 20 35	(*2	49)	200 220 240 260	52 32 13 3	53 36 19 10	39 24 14	21/2 9 20	11/2 6 16 26	10 18 30
Option	600	25 Feb	47 May	63 Aug	17 Feb	Hay	Aug	Te: (*4.	26)	360 390	75 45	82 58 37	95 75	3	3	9
Brit Aero (*588)	460 500 550	133 93 45	138 98 57	152 112 70 47	1 3 23	1 4 17 38	2 8 23 45	Thorn (-5:	EMI 58)	420 460 460	25 6 106 70	37 18 120 82	27 130	10 38	14 4B 2 5	21 52 3 11
BAT Inds (=509)	460 500 550	10 53 20 2	85 42 17	76 52 28	11 ₂ 12 43	20 20 20 20 20 20 20 20 20 20 20 20 20 2	15 28 58	Trusthou	se Forte	500 550 600	20 8 29	45 20	57 29 36 25	14 50	25 53	30 5 5
Barciays (*537)	460 500 550	80 42 10	87 55 18	100 67 35	1 3 22	5 15 35	10 18 40	Optik		200 220 Feb. M	41,	10 Nay	14 E	19	21	11 22 May.
BriL Telecom (*227)	200 220 240	28 9	35 19 8),	39 24 14	0 ¹ 2 2 16	2 61 ₂ 18	4 11 22	FT-SE Index (*1832)	1600 1625 1650	245 2 220 2	57 - 32 -	-1 -	1	2 3 4	Apr.	=
Cadbury Schweppes (-227)	+	28 10 3	34 20 9	44 26 17	1 4	4 10 25	8 15 28		1675 1700 1750	105 1	08 22 85 19 65 17 25 13 90 10	5 -	32	17	9 17 25 42	= - 47
Galmess 4-2021	260	35 20	50	60	25 2 10	8 14	10 20		1850 1850	33 (50 7	5 89	42	33 55	[ស]	76
(-292)	300 330 330	6 1	31 22 11	50 38 20	20 42	23 45	28 45	Febr	uary 2. T F	etal Cont T-SE Ind "Und	races 43, ex, Calls erlying s	1,089	Pats 1,0	14, Phas 90	9,179	1

and the closing picture was

improvement reflected a pick-up in the bullion price, which touched \$407 at best in London. Buying was partly technical and uncertainties over purchasing found stock in short supply. Marketmakers' book posi-tions soon came under pressure and the haste to rectify these com-mitments forced the price up 17 to a record 307n. The possibility of a Blyvoors, St Helens and Driefontein. But some of the major names and Harvey, currently in receipt of an offer from Courtaulds, was

Diamond stocks closed a shade firmer on the session but were mostly on the sidelines.

Traded Options

Demand for Traded Options remained at a relatively high level with Hanson Trust the feature of yesterday's business, recording 5,175 calls and 1,040 puts. Hopes of an end to the engineers' strike helped British Telecom record 4,182 calls, while 2,344 were done in Grand Met. Total contracts completed amounted to 43,953, com-prising 34,774 calls and 9,179 puts.

Traditional Options

- First dealings Jan 19 Feb 2 Feb 16 Last dealings
- Early interest in the Oil majors petered out and both British Pet-roleum and Shell closed little Jan 30 Feb 13 Feb 27 Last declaration
- changed on balance LASMO, however, were persistently sup-ported on the RTZ stake and closed

Apr 23 May 7 May 28 For Settlemen 3 higher at 188p, while Enterprise were a fraction dearer at 191½p Burmah revived with a gain of 7 at May 5 May 18 June 8 For rate indications see

Unit Trust Service Call options were taken out in Lendon Securities, Rotaprint, Amstrad, Marley, Southend Marley, Boustead. Resources, J. Israel, Boddingto. Breweries, Godfrey Davis, Van Reefs, Times Veneer, Ultramar, Burndene, Redfearn Glass, BEA Group, Eglinton, Blacks Leisure, Business Benchmark, Radiant Metal, Cooper Industries, S. C. Banks, Western Motor A. Apricot, C. H. Bailey, Greene King, Hestair, RHM, Lonrho, Hanson Trust, CH Industrials, Amber Day, Ward Holdings, Dominion International, Squirrel Horn, Arment Trust, BSR, GRA, Habit Precision, Powerline and Pentos, Puts were arranged in Ladbroke, Unilock and Amstrad, while double options were transacted in Mariey, Eglington Dominion International and Metal

11.3

Telegram eren Tim 18 telegram Tim militaria

.::

TRADING VOLUME IN MAJOR STOCKS The following is based on trading volume for Alpha pecarities dealt through the SEAQ system

ASDA-MF1 ... Reckitt & Col Royal (Asurance. ichi & Santchi Sainsbury Scott & Rewcastle . 4,500 955 1,100 1,900 164 1,900 208 3,900 458 748 905 3,300 453 3,100 4,600 1,400 893 1241₂ 5157₄ 11391₂ 1286 709 425 959 425 959 209 £2311 267 285 7735 223 607 884 201 £134 530 494 £114 833 292 1417 531 £134 4,950 1,100 696 7,900 1,800 9,100 453 319 4,600 4,600 4,600 3,300 7,700 1,300 7,24 949 Gus "A"...... Guardian R.E..... RISES AND FALLS YESTERDAY

Totals 1,094 680 1,024

LONDON RECENT ISSUES

EQU	HT	ES				
lssue Price	Arogent Paid Lip	Lalest Renov. Deze	1986/87	Stock	Clasing Price	*

	- Q	Dette	High	Lo	•								
135 994 523 523 524 524 525 524 525 525 525 525 525 525	9.P.P.0.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.	20/2 6/1 19/1 19/1 14/1 23/1 23/1 23/1 23/1 23/1 23/2 23/2 23		65 24 37 31 114 105 24 95 146 65 144 104 75 50 103 193 148 138	Bers +Both +Gay +Had +Had +Had +Had -Loght -Loght -Ell -Ell -Ell -Ell -Ell -Ell -Ell -El	seco (Reg) 1p	29 95 180 85 111 77 51 107 1042 249 1094	+7 +2 +2 +1 +2 +2 +2	R3.195 R1.8 R3.0 R3.2 a10.4 a10.4 a10.4 a10.4 a20.9 R93.6	32 32 28 27 28 27 28 47 38 3.4 3.0 	22 65 60 32 33 647 13 0 7 4 16 6 1 1 1 1 1 7 5 6 1 1 1 1 1 7 5 7 6 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	10.8 24.0 12.4 15.2 11.5	
IXE	ED	INT	ER	EST	r ST	OCKS						•	
izue Price	Amo	d Re	teg zunc	1986		S	itogk			Closi	× (+ 07	
£	145			High	Low					¥			
99 \$110p			= ¹	ا مين15 120p	101p	Brit&Controlmenth	74 %Cv.Sub.Un.Ln.2000			115	9	4년2	
10161	1 0	0 1	93 [124	115	Mid-Kens Wager Blan	er. '8' Prl. \$0.01 Red Prl. 1997			12			
4100	€5	0 25	¥5 [4912	4112	Mid-Sussex Water 119	% Red Del	2012	16	7	- 1		

101.61 5100 699.237	£50 F.P. F.P.	19/3 15/5	124 491 ₂ 101 1 1004 1130	11½ 41½ 101½ 100¼	Great western no. 5er. 5er. 15 yr., 3001 Mel-Kent Water By's Red Pri, 1997 Mel-Sessex Water 11% Red Deb 2012-16 Mel-Sessex Water 11% Red Deb 2012 Nations of 114% Res. 181/88 P & 0.64% Cor. Red. Pri.	120				
"RIGHTS" OFFERS										
Issue Price	Amount Paid	Latesi Resuutc	198	67	Stock	Classes Price	+ or			
FIRE	ᡨ	Date	High	Low		P	-			
36 42	WH	_ '	10 pਆ 15 ਸਗ		Petranol 10p Rowe Eugns Inv. 10p.	10 pm 15 pm				

Remarciation date usually last day for dealing free of stamp duty, a Aurusalised dividend. A Figures based on prospectus estimates, d Dividend rate pand or payable on part of capital, cover based on dividend and yield capital, g Assumed dividend and yield a Result of States and States of States

Opening index 1821.5; 10 am 1826.5; 11 am 1826.5; Noos 1832.6; 1 pm 1832.5; 2 pm 1834.8; 3 pm 1827.9; 3.30 pm 1828.9; 4 pm 1831.4. † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituent is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 48Y, price 15p, by post 28p.

IR STOCKS

WORLD STOCK MARKETS

Feb. 2 Price + or Feb. 2 Price + or Ryj Feb. 2 Kroner - Feb. 2 Price + or Kroner - Feb. 2 Feb. 2 Kroner - Feb. 2 Feb. 2 Kroner - Feb. 2	RALIA (continued) Price + or Feb. 8 Aust. 5 Feb. 2 Year -	CANADA
Second S	Feb. 2 Yen	Sales Stack High Law Clean Clang Sales Stack High Law Clans Clang
Feb. 2 Price + or Pirelli Spa	Int. Hidgs. 3.781 +0.19 Yamalchi Sec!1,930 +10 YmanouchiPhm.3.890 +70	390 Care A i 395 95 95 14 50100 Hees Ind 3324 31 32 +15 SZ240 Pagesus \$184 174 177 - 4 Total Sales 6.083.395 shares
Core	Singapore Sing	Page
OVER-THE-COUNTER Nasdaq national market, closing p	prices	Shocks 1.00p.m. Change Shocks 3.00p.m. Change Switz ERLAND Switz ERLA
Oshtrip 284 14 50 467g 467g 467g 167g 170cch 50 111 311 2014 2019 2014 5 10 57 7	445, 445, 43, UKSAME 72, 8, 262, 27, 251, 251, 251, 251, 251, 152, 152, 153, 251, 251, 251, 251, 251, 251, 251, 251	Pisseng
P Q RorChA 840 1134 11 1134 12 SunCat 150 693 1-15 RoseBs.16m 9 111 2074 2074 15 SunCat 150 693 1-15 RoseBs.16m 9 111 2074 2074 15 SunGad 175 1654 PMC 1 52 8 1456 4454 43 44'2 1-19 RoseStr 271 514 5 5 54 SunGad 44 693 2014	181 ₂ 183 ₄ 2 V V V 27 281 ₄ + 2 123 ₄ + 2 123 ₄ + 3 12 123 ₄ + 3	N. AMERICAN QUARTERLY RESULTS
Parthir 30 978 2014 1919 2014 * 3 Parther 18 35 24 25% 24 * 4 Patters 44 1334 1334 1334 1334 1334 1334 1334	22 22 Valinti 7.44 8 706 35% 23 30% 3 20% 3 20% 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Second Present Second
Prostri 220 4115 4674 4114 7 Simale 11 1637 10% 8 10% +114 U U	22 22's + 1 William 22 655 22's 21's 22's + 7's William 72 14 74 (27's 28's 28's 28's 4 William 72 14 74 (27's 28's 28's 28's 4 William 72 1565 97's 31's 97's 1565 97's 71's 71's 71's 71's 71's 71's 71's 7	\$112.7m Op. net per share 2.97 3.54 PLOES Op. net per share 1.17 1.01
Prog08 .06 16 333 3312 3314 3314 3315 3314 3314 3315 3314 3314	173, 12 b Wyse 107125 234 225 23 b 103, 111, 111, 111, 111, 111, 111, 111,	NYSE COMPOSITE CLOSING PRICES 17 Mands
IONDON (in pence unless otherwise indicated) ICI	494 +19 Rothmans intl 197 +10 £13% +½ Tarmac 658 +21 129 +18 Tate & Lyle 490 +20	85 4 Walnor 3 515 812 578 578 578 1119 314 William 1322 475 436 476 478 478 478 478 478 478 478 478 478 478
RISES BOC	319 +11 FALLS 387 +16 Hallite 200 -30	90% 85 Well griss 17 3 using 90 911; *3% 50% 30% *4% Way P2.50 30% Way P2.50 47 23 39% 50% 41% 41% 25% 50% *4% 45% Way P2.50 47 23 39% 50% 50% 41% 25% 50% *4% 45% Way P2.50 47 23 39% 50% 50% 41% 25% 50% 50% 41% 25% 50% 50% 50% 50% 50% 50% 50% 50% 50% 5
UK COMPANY NEWS IN-DEPTH REPORT	TING DAILY IN THE FT	56 2 27 WayG pf1.00 3.1 1 51% 51% 51% 51% 51% 51% 51% 51% 51%

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Z March

Table

Table Suck Oiv. Yill Study of the Michael Study of the Mi BallyMf.20 1.0 11
BaltigE1.80 5.1 1.1 18
Baltiggs1.80 5.8 18
Baltiggs1.80 5.8 18
Baltiggs1.80 6.8 18
Baltiggs1.80 6.8 18
Baltiggs1.80 6.8 18
Baltiggs1.80 6.8 95
Baltiggs1.80 6.8 10
Baltiggs1.80 6.8 10
Baltiggs1.80 6.8 10
Baltiggs1.80 6.8 10
Baltiggs1.80 6.8 11
Baltiggs1.80 6.8 12.77 Part 1.11 Part 25 Part 1.11 Part 25 Part 1.11 Part 1.12 Part HRE 23 8.9 13
Halle 11
Halle 13
Halle 13
Halle 13
Halle 14 8 32
Halle 15 47 8 84
Harull 1.84 7.6
Harull 1.84 7.6
Harull 1.84 7.6
Harull 1.85 2.0 18
Hanna 12 18 8.3
Harull 1.80 2.2 23
Hanna 12 18 8.3
Harull 1.80 2.2 23
Hanna 12 18 8.3
Harull 1.80 2.2 23
Harund 1.80 1.4 16
Harund 1.80 1.4 16
Harund 1.80 1.4 16
Harund 1.80 1.2 17
Harind 1.80 1.2 17
Harind 1.80 1.3 16
Harund 1.80 1.2 18
Harull 1.80 1.3 16
Harull 1.80 1.4 27
Harund 1.80 1.5 18
Harund 214 (1515) 224 (1515) 225 (1515) 226 (1515) 226 (1515) 227 (1515) Estime
Es Francis I for series of the se | Import | I Mayora 1.04

Mayora 1.04

Mayora 1.04

Mayora 1.04

Mayora 1.04

Mayora 1.04

Mayora 1.05

Mayora 1.05

Mayora 1.06

Mayora 1.06

Mayora 1.07

Mayora 1.08

Mayor | Common | C 271-2 872-1 179-1 189-1 189-1 189-1 189-1 140-1 11 Kidder, Peabody Securities Market Makers in Euro-Securities Founded 1865 • Member SIPC

Continued on Page 41

New York . London . Paris . Geneva . Zurich . Hong Kong . Tokyo

\	NYSE COMPOSITE CLOSING PRICES	AMEX COMPOSITE CLOSING PRICES
and the second s	12 Same Sa	Simple W Size S
Section 2	340 311 Oned pr3 92 12. 25 339 331 331 -1 385 251 Rohr 11 198 230 270 285 11 18 12 TWA pt 2.25 13. 192 170 170 170 170 170 170 170 170 170 170	OVER-THE-COUNTER Nasdaq national market, closing prices
新聞歌歌歌歌歌 - 大大の大変の大の大変の大変の大変の大変の大変の大変の大変の大変の大変の大変の大変		Cention 1.0 12 44 381; 38 381; 41; 51; 51; 51; 51; 51; 51; 51; 51; 51; 5
· · · · · · · · · · · · · · · · · · ·	481, 331, PSEG 255 63 10 32 431, 421, 427 431, 421, 421, 421, 421, 421, 421, 421, 42	ChiChi 16 795 65, 65, 65, 4 5 Figure 58 58 110 695 68 58 -1 Jonel A 25 884 127, 117, 117, 117, 1 7, 1 7, 1 7, 1 7,
ar.		

FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Record run derives fresh inspiration

AFTER a tentative start to the session, Wall Street stock prices rose strongly yesterday, writes Roderick Oram in New

Advances came despite weakness in the bond market, caused in part by a slipping of the dollar in nervous trading following Mr Paul Volcker's testimony to Congress. The chairman of the Federal Reserve Board said the currency was in "some jeopardy" of suffering a free

In contrast, some companies which will benefit from a weaker dollar enjoyed higher share prices. Some issues recently the objects of profit-taking were

The Dow Jones industrial average closed up 21.66 points at 2,179.70. Among the blue chips American Express rose \$\% to \$68\%, General Electric added \$1\% to \$101%, Eastman Kodak gained \$1% to \$78%, International Business Machines advanced \$3% to \$132%, Merck rose \$1% to \$139 and Procter and Gamble slipped \$1% to \$86%.

Broader market indices were similarly up strongly. The New York and American Stock Exchange composite in-

Standard & Poors 500

1983

224.61

274.24

899.1 990.0

321,8

10.0

1984

1.537.73

232.57

176.91

Yes FFr

211.78

692.74

760.51

344.9

10.67

280

260

240

220

200

1981

NEW YORK

DJ Industrials

DJ Transport

S&P Composite

DJ Utilities

FT-SE 100

FT-A 500

FT-A All-share

FT Gold mines

FT-A Long gitt

LONDON

1982

STOCK MARKET INDICES

225.99

276.45

913.67

313.5

1.009.32

2,179.70 2,180.01

881.96 877.54

dices closed up 1.34 to 157.45 and 3.68 to 304.15, respectively. NYSE volume was moderately heavy at 177.6m with advances outnumbering declines by 1,150

The takeover arena saw a sudden burst of activity after a quiet start to the year. Diamond Shamrock dipped \$\% to \$14% after unveiling comprehensive actions designed to thwart a takeover attempt by Mr T. Boone Pickens, the Te-

The company will spin off its marketing and refining operations in a public company and buy back 20m shares, 14 per cent of the total, for \$17 a share among other actions. In addition, its

chief executive resigned yesterday.
Viacom advanced \$2% to \$43%. The television programme and film distributor and cable television company received a \$44.25-a-share offer from a subsidiary of National Amusements, a privately held cinema chain which already has a stake of more than 18 per cent. The bid values Viacom at \$1.55bn.

Cyclops, a leading specialty steel mak-er jumped \$5% to \$77. It received a \$75-ashare bid from Audio-Video Affiliates, a consumer electronic retailer, which gained \$1/2 to \$6%. Cyplops said a second organisation had also expressed interest

Holly Sugar gained \$21/4 to \$108. The largest beet sugar producer in the US put itself up for sale.

Heritage Communications added \$3% to \$32% on heavy volume. A management-led investor group has offered to buy the cable television company for \$835m, or about \$37.50 a share. BankAmerica rose \$1/4 to \$14%. It sold

1986 87 1986

CURRENCIES

1.8320

153.55

6.1075

1,302

37.80

1.3395

INTEREST RATES

STERLING

1.5135

2.7725

232.50

9.245

2.3375

2.0295

31% 4%

6¼ 6¾ 5¼ 6.075 5.76

6.923

Day's

+0.04

+0.04

+0.03

+0.04

+0.04

Prev

Price Yield

105.875 9,58

104.50 8.04

6.69

6.37

6.75

92,377

9.608

oth Eurodolla

93.70 93.75 93.68 93.79

114-26 115-01 114-19 114-25

\$1m points of 100%

20-year Notional Gift

£50,000 32nds of 100%

March

Feb 2 Previou

1.5240

2.756

232.50

9.185

2.325

1,960.50 1,970.50

3.1075

57.05

2.0325

6%4 6% 6% 5.80 5.595

6.362 99%

7.200 1001%

7.214 100%

US DOLLAR

Feb 2 Previous

1.8075

152.55

6.0275

37.45

1.3330

KEY MARKET MONITORS

its Schwab discount brokerage unit to a group led by Charles Schwab which should result in a \$130m pre-tax gain. The bank holding company, the object of a tentative bid from First Interstate, also announced a faster rate of loan charge-offs and staff cuts than previous-

Among companies reporting earnings yesterday, MCI was unchanged at \$6% on heavy volume in the over-the-counter market. It reported as forecast a fourthquarter operating loss of \$502m because of restructuring charges.

Companies reporting higher earnings for the quarter or year with mixed effects on their stock prices included CPC, down \$% to \$47%, Sherwin-Williams, down \$% to \$33, Compaq Computer, up \$2% to \$26% and Owens-Illinois, off \$% to

In the credit markets, prices fell moderately in the face of a number of negative influences. The price of the 7.50 per cent Treasury benchmark long bond was off 1½2 of a point by late afternoon at 99.28 at which it yielded 7.50 per cent.

EUROPE

Frankfurt engulfed by dollar fears

THE DOLLAR continued to dominate trading on European bourses yesterday with key centres proving sensitive to its latest movements and uncertain trend.

Frankfurt was again engulfed by concern that the US currency would fall further, and trading was thin as many investors stayed nervously on the side-

Some blue chips registered sharp falls under foreign selling, and the Commerz-bank index dropped 25.7 to 1,782.5. Worst hit shares included Deutsche

Mark, which lost DM 23.50 to DM 722, a session and 12-month low, Daimler-

Lisbon Stock Exchange has seen shares worth Esc 1.4bn (\$9.9m) traded so far this year, double the total value of share trading for the whole of 1985. Turnover for last year was Esc 6.3bn.

The exchange burst into action last year due to official incentives, and the latest figures are attributed to buying interest from investors in Portugal, Brit-ain, the US, Belgium and West Germany. New investment institutions in Portugal are leading the buying spree.

Benz, down a sharp DM 25.50 to DM 997 and Siemens, which shed DM 15 to DM 663 in advance of first-quarter results. Other banks saw Commerzbank off

DM 5 to DM 288 and Dresdner down to DM 360, a loss of DM

The car sector was generally lower, with VW off DM 7 to DM 347 and BMW easing DM 3 to DM 500, while Conti Gummi, the tyremaker, lost DM 1.40 to DM 304.80.

Bonds moved higher, and long-dated issues gained up to 50 basis points on foreign demand but trading was thin. The Bundesbank sold DM 1.8m worth of paper after selling DM 18.4m on Friday.

Amsterdam saw selected stocks move higher in early trading, but share prices generally eased later as the dollar feil slightly and Wall Street opened down.

The ANP-CBS General index was marginally higher at mid-session, up 1.2 at 263.5, when the dollar was briefly firmer against the guilder.

Internationals attracted little buying interest and finished mostly lower. KLM lost 30 cents to Fl 37.60 and Royal Dutch Fl 1 to Fl 213.60, while Unilever was Fl 2 down at FI 502.50.

KNP advanced Fl 7.80 to Fl 142.80 after its chairman was quoted as saying sales will double in the medium term. Zurich was also fairly quiet in antic-

Against the trend, paper producer

but selective buying took shares mixed Among international food-related stocks, Jacobs Suchard added SFr 100 to

SFr 8,100, and Nestlé was steady at SFr

ipation of signs of stability in the dollar,

9,100. Engineerings weakened, with Schindler participation certificates down SFr 45 to SFr 680, Landis & Gyr SFr 100 lower at SFr 1,660, and Brown Boveri off

SFr 50 at SFr 1,680. Paris managed to sustain the firmer trend of last Friday when the pick-up in the dollar lifted the mood. The CAC general index added 3.5 to 421.5 in fairly active trading.

Buying was boosted by institutions returning to the market on the assumption that they will receive fewer Paribas shares than expected because of the heavy demand. However, the day's gains were trimmed by Finance Minister Edouard Balladur's weekend forecast of higher January inflation.

Brussels ended mixed to lower on the last day of the trading fortnight. Among lower oils Petrofina was down

BFr 170 at BFr 9,390. Most other price changes were small. GB Inno BM, the supermarket chain, added BFr 14 to BFr 940 after news that it planned changes in its US operations.

Milan moved lower in dull trading Montedison edged up L5 to L2.910 following its 8.1 per cent increase in gross operating profit last year.

Stockholm rose on buying by overseas institutions, taking the J & P index up 50.27 to 2.207.14.

Oslo edged higher on bank gains while Madrid was mixed.

Road to high signposted with caution

BUYING ENTHUSIASM remained strong in Tokyo yesterday and drove share prices to yet another record, writes Shigeo Nishiwaki of Jiji Press.

The Nikkei average of 225 select issues, which topped 20,000 last Friday for the first time, added 48.54 from Saturday's lower close to a record 20,072.09. Volume totalled 1.09bn shares compared with Friday's 1.22bn. Losses outran advances by 472 to 378, with 134 issues unchanged.

The steady tone of the market reflected investor confidence that brokerage houses will make every effort to keep the market buoyant until the stock of Nippon Telegraph and Telephone (NTT) is listed on the exchanges next Monday. Nevertheless, investor concern about

precariously high prices became evident when the Nikkei indicator began to edge down on profit-taking after gaining 132 points early on.

On the trading floor, Tokyo Electric Power, electric cables and other NTT-related issues were sought before the NTT

Tokyo Electric Power advanced Y140 at one stage to a record Y8,580, surpassing the previous high of Y8,550 reached last December. But it came under profittaking pressure later to close Y30 lower at Y8,410. Tokyo Gas fell Y10 to Y1,190 while Kansai Electric Power rose Y110 to Y4,400 and Isaka Gas Y28 to Y713.

Among other NTT-related issues, Fujikura gained Y24 to Y806 and Iwatsu Electric Y30 to Y985.

Large-capital stocks attracted strong buying interest in afternoon trading. Nippon Steel once again topped the active list with 341.33m shares changing hands. It added Y13 to Y257. Kawasaki Steel, the second-busiest is-

sue with 36.97m shares traded, ended Y12 higher at Y220. Ishikawajima-Harima Heavy Industries surged Y35 to Y485 and Mizsui Engineering and Shipbuilding Y15 to Y187. Nikkatsu soared Y46 to Y250, bol-

stered by speculative buying, with 20.79m shares changing hands. Blue chips firmed, helped by the yen's

weakness against the dollar. NEC added Y50 to Y2,640, Toyota Motor Y50 to Y1,930, Matsushita Electric Industrial Y10 to Y1,910 and Hitachi Y20 to Y1,070.

Conversely, financial issues, which had been a major force in driving the Nikkei average to above 20,000 last

week, were on a weak note.

with Dai-icho Kangyo Bank and Fuji Bank shedding Y30 each to Y2,700 and Y2,720, respectively. Sumitomo Bank lost Y10 to Y3,320 and Tokio Marine and Fire Insurance Y20 to Y2,170. But securi-

gaining Y50 to Y2,030. Also weaker were issues related to the Government's fiscal investment and loan programme, including Taisei Corp and Ohbayashi Corp, which closed Y7 and Y20 lower at Y973 and Y1,020.

ties stocks firmed, with Nikko Securities

Bond prices rose sharply in early trading, supported by dealers' active buying.
The yield on the bench mark 5.1 per cent government bond, due in June 1996, dropped to 4.820 per cent at one stage. Later, however, concern about higher prices mounted, sending the yield up to 4.845 per cent at the close

LONDON

DETERMINED BUYING of blue chips by UK institutions sent the London stock market soaring to new peaks yes-

Pharmaceuticals again dominated the scene, with Glaxo finding renewed US

Support.

The market rally began in earnest from the start of trading and found fresh incentive from the firm opening on Wall Street. Most sectors finished the day at their best levels. The FT-SE 100 index jumped 24.5 to a record 1,832.80 while the narrower sister index, the FT Ordinary, sprinted 22.9 to 1,463.9, also a new

Engineering and electricals were bought on growing optimism for the out-look for UK exports while a shortage of stock fuelled price rises

Glaxo jumped £% to £13% on turnover of 7.2m shares while ICI, benefiting from favourable weekend press comment, added £% to £13% on 3.3m shares. Beecham managed a healthy 13p rise to 499p with 3.9m shares changing hands.

British Gas was the most active once again: over 27m shares were traded, but the price finished steady at 68%p. Gilts were weaker in thin trading as

traders pondered the market's vulnerability to election forecasts and currency market developments. Chief price changes, Page 39; Details,

Page 38; Share information service, Pages 36-37

GOLDS and base metal miners triggered a rally in Toronto that soon

spread to other sectors.

Echo Bay Mines traded CS% higher to CS36% while Campbell Red Lake at C\$30% was C\$4 stronger. International Corona Resources, however, moved against the trend with a C\$1% drop to C\$35.

Among base metal stocks, Noranda and Denison Mines Class B added CS% each to C\$24% and C\$7, respectively. Industrials proved one of the weak

HONG KONG

SPORADIC PROFIT-TAKING failed to stem a wave of buying in Hong Kong that took the Hang Seng index 31.97 points higher at 2,585.22. Turnover jumped to HKS849m compared with Friday's HK\$597m.

Trading resumed in Cathay Pacific and its parent Swire Pacific after the Chinese state-owned China International Trust and Investment bought a 12.5 per cent stake in the airline for HK\$1.94bn. Cathay added 35 cents to HK\$5.95 while Swire jumped 70 cents to HK\$19.90.

Moving against the trend were Hang Seng Bank, down 50 cents at HK\$42, Hongkong Electric 20 cents lower at HK\$12.40 and Hongkong Gas 10 cents off at HK\$22.10.

Properties were strong with Cheung Kong HK\$1 up at HK\$40 and Hongkong Land 5 cents higher at HK\$7.45.

The Hong Kong index rose 17.27 to

SINGAPORE

FOREIGN INSTITUTIONAL buying combined with strong local support to push Singapore higher. The Straits Times industrial index closed 18.75 up at 967.77 on improved volume of 26m

Blue chips were in demand again, with Sime Darby the most active with 2.2m shares traded. Sime firmed 15

cents to S\$2.61. DBS, also active with 1.03m shares traded, added 25 cents to S\$10.20 while United Motor Works gained 6 cents to 60 cents on volume of 1.02m shares.

New Straits Times managed a 30-cent rise to S\$5.80, and Fraser & Neave at S\$9.85 was 15 cents stronger.

AUSTRALIA

THE WEAKER TREND continued in Sydney on the weaker bullion price, recent domestic interest rate rises and a softer New Zealand market.

Some attempts at recovery were made late in the session although the All Ordinaries index dropped a further 10.1 to Among most active issues, WMC dipped 14 cents to AS5.80, CRA shed 20

Notes sinks of

ಇನ್ನೇ ಕಿ

Mit deed to

はないた

Weight of

18:00 to 18:00

PES CANDA AND

ding into line

Mids Plan

 $A_{(k_1,k_2)}$

cents to A\$6.90 and Aberfoyle, traded ex dividend, fell A\$1.90 to A\$10.00. The resource sector saw BHP 4 cents up at A\$9.16 after an early fall to A\$9.08

while Bell Resources dipped 2 cents to

SOUTH AFRICA

THE PARTIAL RECOVERY in the bullion price boosted sentiment in Johannesburg and buoyed most sectors.

Among firmer golds, Vaal Reefs added R7 to R417 while Beatrix firmed 50 cents to R17.50 Mining financials mirrored golds, with Anglo American 75 cents

The Solid Gold Investment



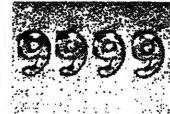
Gold is the one commodity that has long been valued as the basis for sound financial planning. Esteemed for its enduring value, gold is a long-term insurance against monetary, political and social uncertainty. It is held by international bodies, governments, banks, corporations and individuals. Investors are generally advised to include at least 10 percent of gold in a portfolio. Since gold prices most often

move independently of paper investments, gold can anchor your more speculative ventures. Around the world gold bullion coins are the most popular investment vehicle for private investors. And Canada's

Gold Maple Leaf is the best-selling coin in the world.



When you invest in gold bullion, choose the most portable and widely-accepted-Canada's Gold Maple Leaf. To suit your individual investment needs, the Gold Maple Leaf is available in 1 oz., 1/2 oz., 1/4 oz., and 1/4 oz.



PUREST GOLD

The Gold Maple Leaf contains a minimum of one troy ounce of 9999 fine gold, no other coin is purer. It has no base metals, which add weight but little



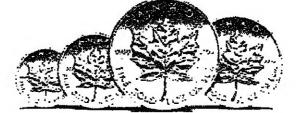
CANADIAN GOLD The Gold Maple Leaf is pro-

duced from gold mined and refined entirely in Canada. The Canadian government guarantees its gold content and gives it legal



GLOBAL GOLD

The Gold Maple Leaf is recognized around the world. It can be quickly and easily traded with no costly assay at resale. You will find the Gold Maple Leaf wherever gold is traded—atbanks, brokerage houses and coin dealers.

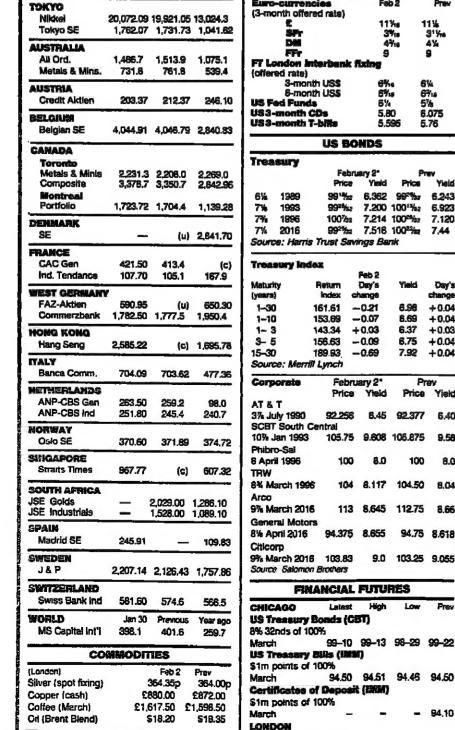


Canada's Gold Maple Leaf

THE PRECIOUS ELEMENT IN YOUR PORTFOLIO.

Canada

Royal Canadian Monnaie royale



GCLD (per ounce)

Zürich

Paris (fixing)

New York (April)

Feb 2 \$407.00

\$406.55

\$404.375

\$400.25

\$407.24

\$411.25